



Illinois has several types of taxes which are collectively referred to as “sales tax.” The Retailers’ Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property at retail to purchasers for use or consumption. See [35 ILCS 120/1, et seq.](#) Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property purchased anywhere at retail from a retailer. See [35 ILCS 105/1, et seq.](#) and 86 Ill. Adm. Code [150.101](#).

A “retailer maintaining a place of business in the State,” or that has nexus, is required to register with the Illinois Department of Revenue (IDOR) to collect and remit Use Tax on purchases made by Illinois purchasers. Effective October 1, 2018, remote sellers without a physical presence meeting certain thresholds fall within the definition of a “retailer maintaining a place of business in the State” and must register with IDOR to collect and remit Illinois Use Tax on sales to Illinois purchasers (see [Public Act 100-0587](#)). Effective January 1, 2020, marketplaces without a physical presence meeting certain thresholds fall within the definition of a “retailer maintaining a place of business in the State” and must register as a marketplace facilitator with IDOR to collect and remit Illinois Use Tax on sales to Illinois purchasers (see Public Acts [101-0009](#) and [101-0604](#)). If a marketplace facilitator, marketplace seller, or remote seller makes sales into Illinois from inventory in Illinois, then it will be required to remit Illinois Retailers’ Occupation Tax on those sales to Illinois purchasers and this matrix does not apply.

The State has two Use Tax rates. The rate for general merchandise is 6.25%. The rate for qualifying food, drugs, and medical appliances is 1%. There are no locally-imposed use taxes on general merchandise, food, drugs, and medical appliances that are collected by IDOR. Remote retailers without physical presence that sell titled and registered property (e.g., motor vehicles, watercraft, aircraft, and trailers) to Illinois purchasers are not required to collect and remit Use Tax on these items.

In using this matrix, the presumption is that tangible personal property is taxable unless there is an exemption. Most of the exemptions from Use Tax are use-based (e.g., conditioned on the purchaser using the tangible personal property in a specific manner). A few items are exempt based on the nature of product (e.g., feminine hygiene products). Other exemptions are based on the status of the purchaser (e.g., charitable, religious and educational organizations). Purchasers claiming a use-based exemption must provide the retailer with required documentation. Status-based exemptions must be documented by providing the retailer with an exemption identification number (“E-number”) issued by IDOR to the exempt entity.

If an item in the matrix is non-taxable or exempt, the seller does not have to collect Use Tax from the Illinois purchaser.

A serviceperson can be a remote seller when tangible personal property is transferred as part of the sale of service. A serviceperson should refer to our regulations to determine taxability.

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1001	Farm machinery and equipment	Exempt		Exempt when used primarily (more than 50% of the time) in production agriculture, see regulation. Valid exemption certificate is required. See Form ST-587 , Equipment Exemption Certificate.	86 Ill. Adm. Code 130.305
1002	Food, not for immediate consumption, excluding candy, soft drinks, and alcohol	Taxable	1%	Food not for immediate consumption includes grocery items and packaged foods, but does not include candy, soft drinks, and alcohol.	86 Ill. Adm. Code 130.310 and 130.1905
1003	Candy	Taxable	6.25%	Candy is defined as a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. "Candy" does not include any preparation that contains flour or requires refrigeration.	86 Ill. Adm. Code 130.310
1004	Soft drinks	Taxable	6.25%	Soft drinks are defined as nonalcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" do not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or greater than 50% of vegetable or fruit juice by volume.	86 Ill. Adm. Code 130.310
1005	Drop shipments	Taxable	1% or 6.25%	A retailer having tangible personal property drop shipped from a supplier to an Illinois purchaser would be required to collect and remit Use Tax from that Illinois purchaser. Retailers must provide a valid Certificate of Resale (Form CRT-61) to their Illinois suppliers to document sales for resale. See regulation for further information regarding documentation.	86 Ill. Adm. Code 130.225
1006	Tangible personal property sold for resale	Non-Taxable		The sale of tangible personal property to a purchaser for the purpose of resale in any form as tangible personal property, to the extent not first subjected to a use for which it was purchased, is not subject to tax. Such sales for resale cannot be made tax-free unless the purchaser (except in the case of an out-of-State purchaser who will always resell and deliver the property to purchasers outside Illinois) has an active registration number or active resale number from IDOR and gives such number to suppliers in connection with certifying to any supplier that any sale to such purchaser is nontaxable because of being a sale for resale. See Form CRT-61 .	86 Ill. Adm. Code 130.210 , 130.215 , 130.1405 , and 130.1970

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1007	Occasional sales	Non-Taxable		Persons who make isolated or occasional sales of tangible personal property do not incur tax liability. For example, if retailers sell tangible personal property, which they do not normally engage in selling, such as machinery or other capital assets they no longer use in their business and no longer need, they are not required to collect and remit Use Tax. This applies even if they may be required to make a considerable number of sales to dispose of the tangible personal property because persons making such sales are not considered to be in the business of selling tangible personal property at retail.	86 Ill. Adm. Code 130.110
1008	Wine, alcoholic beverages	Taxable	6.25%	Alcohol may not be shipped into Illinois from out-of-state sellers, except for sales of wine by Direct Wine Shippers. Direct Wine Shippers are required to obtain a license from the Illinois Liquor Control Commission to ship into Illinois. Direct Wine Shippers are required to register with IDOR to collect and remit Use Tax regardless of the thresholds contained in P.A. 100-587. See 235 ILCS 5/5-1(r) and Informational Bulletin FY 2019-10 .	86 Ill. Adm. Code 130.310 and 130.2060 ; FY 2017-11 ; and 86 Ill. Adm. Code Part 420
1009	Coffee/tea/milk	Taxable	1%	Coffee, tea, and milk products which do not qualify as a soft drink and which are not for immediate consumption are taxed at the 1% rate.	86 Ill. Adm. Code 130.310
1010	Prescription and nonprescription medicine and drugs	Taxable	1%	Nonprescription and prescription medicines and drugs are subject to the 1% rate of tax. Nonprescription medicines and drugs that fall within the definition of "grooming and hygiene products" do not qualify for the 1% rate of tax for medicines and drugs.	86 Ill. Adm. Code 130.311
1011	Dietary supplements	Taxable	1%	Vitamins and supplements are taxable at the 1% rate.	86 Ill. Adm. Code 130.311
1012	Medical appliances	Taxable	1%	A medical appliance is an item that is used to directly substitute for a malfunctioning part of the human body (e.g., restorative breast implants, heart pacemakers, artificial limbs, dental prosthetics, crutches and orthopedic braces, dialysis machines, wheelchairs, sleep apnea devices, and hearing aids). Items that do not directly substitute for a malfunctioning part of the human body (e.g., cosmetic breast implants, nebulizers) do not qualify as medical appliances.	86 Ill. Adm. Code 130.311

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ID	Description	Taxable	Rate	Explanation	References
1013	Medical devices used for cancer treatment with prescription	Taxable	1%	Products classified as Class III medical devices by the United States Food and Drug Administration that are used for cancer treatment pursuant to a prescription, as well as any accessories and components related to those devices qualify for the 1% rate of tax.	86 Ill. Adm. Code 130.311
1014	Diabetic treatment, specified items	Taxable	1%	Insulin, urine and blood testing materials, syringes, and needles used in treating diabetes in human beings qualify for the 1% rate of tax.	86 Ill. Adm. Code 130.311
1015	Feminine hygiene products	Exempt		Tampons, menstrual pads, and menstrual cups are exempt from tax.	86 Ill. Adm. Code 130.311
1016	Diapers (infant)	Taxable	6.25%	Baby diapers are taxable as general merchandise. See also Grooming and other hygiene products (ID 1020).	86 Ill. Adm. Code 130.311
1017	Diapers (adult)	Taxable	6.25%	Adult diapers are taxable as general merchandise. See also Grooming and other hygiene products (ID 1020).	86 Ill. Adm. Code 130.311
1018	Infant formula	Taxable	1%	Infant formula is food for consumption off the premises which is taxable at the 1% rate.	86 Ill. Adm. Code 130.310
1019	Infant formula - prescription	Taxable	1%	Whether considered a food or drug, infant formula is taxable at the 1% rate.	86 Ill. Adm. Code 130.310 and 130.311
1020	Grooming and other hygiene products	Taxable	6.25%	Grooming products include, but are not limited to shampoos and hair products, shaving creams and lotions, deodorants, moisturizers, condoms, baby and adult diapers, and contact lens solution.	86 Ill. Adm. Code 130.311
1021	Graphic arts machinery and equipment used primarily in graphic arts production	Exempt		The graphic arts machinery and equipment exemption is included in the manufacturing machinery and equipment exemption beginning July 1, 2017. "Graphic arts production" means the production of tangible personal property for wholesale or retail sale or lease by means of printing (including ink jet printing). See statutory reference for NAICS codes specifying the exempt types of printing. Graphic arts production does not include (i) the transfer of images onto paper or other tangible personal property by means of photocopying or (ii) final printed products in electronic or audio form, including the production of software or audio-books. Persons engaged primarily in the business of printing or publishing newspapers or magazines that qualify as newsprint and ink are deemed to be engaged in graphic arts production. See Form ST-587 .	35 ILCS 120/2-5 , and 120/2-30 ; and 86 Ill. Adm. Code 130.2000 , 130.325 , and 130.330

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1022	Manufacturing machinery and equipment	Exempt		Machinery and equipment used primarily (over 50%) in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease is exempt from tax. Software used to operate exempt manufacturing machinery and equipment would qualify as a major component of such machine. Production related tangible personal property used or consumed in a production related process by a manufacturer in a manufacturing facility in which a manufacturing process takes place or by a graphic arts producer in graphic arts production qualifies for the exemption. Production related tangible personal property that is used or consumed in research and development regardless of use within or without a manufacturing or graphic arts production facility also qualifies for the exemption. See Form ST-587 .	35 ILCS 120/2-45 and 86 Ill. Adm. Code 130.330
1023	Antiques, curios, art work	Taxable	6.25%		86 Ill. Adm. Code 130.1910
1024	Collector coins which are legal tender	Exempt		Sale of legal tender, currency, medallions, and gold or silver coinage, issued by the State of Illinois, the government of the United States, or government of a foreign country are exempt. Coins incorporated into jewelry are taxable.	86 Ill. Adm. Code 130.1910 and ST-16-0017-GIL
1025	Postage stamps, US, cancelled	Taxable	6.25%		86 Ill. Adm. Code 130.1910
1026	Postage stamps, foreign	Taxable	6.25%		86 Ill. Adm. Code 130.1910
1027	Postage stamps, US, valid, with purchase price of 50% or more of face value	Taxable	6.25%	Uncanceled postage sold for an amount that exceeds the face value of the stamp by 50% or more is subject to tax.	86 Ill. Adm. Code 130.1910
1028	Postage stamps, US, valid, with purchase price of less than 50% of face value	Non-Taxable			86 Ill. Adm. Code 130.1910
1029	Auctioneers and agents – when not responsible for collecting Use Tax	Non-Taxable		If an auctioneer or agent acts on behalf of a disclosed principal, the disclosed principal is considered the seller and is responsible for collecting and remitting Use Tax. The auctioneer or agent is not responsible for collecting and remitting Use Tax. The disclosed principal is liable for any tax due. If the disclosed principal meets either of the thresholds the disclosed principal will be required to collect and remit Use Tax.	86 Ill. Adm. Code 130.1915

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1030	Auctioneers and agents - when responsible for collecting Use Tax	Taxable	6.25%	If an auctioneer or agent acts for an undisclosed principal or is entrusted with the possession of a bill of lading, custom house permit or warehouseman's receipt for delivery of tangible personal property or is entrusted with the possession of any such personal property for the purpose of sale, the auctioneer or agent is considered to be the seller and is responsible for collecting and remitting Use Tax.	86 Ill. Adm. Code 130.1915
1031	Computer software - canned software	Taxable	6.25%	Canned software (pre-written software) which is intended for general or repeated use, regardless of the form in which it is transmitted, including electronic means (e.g., downloaded), is subject to tax. This includes the purchase of mobile apps and games where the purchaser receives software by download. (Computer software provided through a cloud-based delivery system – a system in which computer software is never downloaded onto a client's computer and is only accessed remotely – is not subject to tax.) Purchases made within software or while playing a game are subject to tax and are taxable at the time of purchase rather than at the time of consumption (such as in-app add-ons or currency).	86 Ill. Adm. Code 130.1935
1032	Computer software - custom software	Non-Taxable		Custom software requires an analysis of the purchaser's needs by the vendor and adaption for use in a specific work environment (e.g., a particular make and model of a computer using a specified input or output device). Custom software results from real and substantial changes to the operational coding to meet individualized requirements. The selection of pre-written or canned programs or program modules assembled by the vendor into a software package does not constitute custom software unless real and substantial changes are made to the programs or creation of program interfacing logic. See regulation.	86 Ill. Adm. Code 130.1935
1033	Computer software - licensed software	Non-Taxable		Licenses for computer software are not subject to tax if all of the following conditions are met: <ol style="list-style-type: none"> 1. it is evidenced by a written agreement signed by the licensor and the purchaser; 2. it restricts the purchaser's duplication and use of the software; 3. it prohibits the purchaser from licensing, sublicensing or transferring the software to a third party (except to a related party) without the permission and continued control of the licensor; 4. the licensor has a policy of providing another copy at minimal or no charge if the purchaser loses or damages the software, or of permitting the licensee to make and keep an archival copy, and such policy is either stated in the license agreement, supported by the licensor's books and records, or supported by a notarized statement made under penalties of perjury by the licensor; and 5. the purchaser must destroy or return all copies of the software to the licensor at the end of the license period. This provision is deemed to be met, in the case of a perpetual license, without being set forth in the license agreement. 	86 Ill. Adm. Code 130.1935

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1034	Construction contractors and real estate developers - when selling tangible property with or without installation	Taxable	6.25%	Construction contractors who are retailers must collect and remit Use Tax when they engage in selling tangible personal property with or without installation, so long as it remains tangible personal property and is not permanently affixed to real estate (e.g., gas or electric ranges, stoves, washing machines, dryers, refrigerators, furniture, furnishings, drapes, or non-permanent flooring).	86 Ill. Adm. Code 130.1940 and Compliance Alert 2015-14
1035	Landscape contractors and nurserymen when selling tangible personal property	Taxable	6.25%	Nurserymen or landscapers who are retailers must collect and remit Use Tax when they sell shrubbery, trees and similar items to purchasers for use or consumption, and do not, as part of the transaction, plant the items in the ground.	86 Ill. Adm. Code 130.1940 , 130.1965 , and 130.1970
1036	Farm chemicals	Exempt		Farm chemicals include any chemical product used in production agriculture, the products of which are to be sold, or in the production or care of animals that are to be sold or the products of which are to be sold. Examples of exempted items are stock sprays, disinfectants and the like, stock tonics, serums, vaccines, poultry remedies and other medicinal preparations and conditioners, water purifying products, insecticides, weed killers, and the like.	86 Ill. Adm. Code 130.1955
1037	Florists	Non-Taxable		When a remote florist places an order to be filled by an Illinois florist the remote florist is not required to collect and remit Use Tax.	86 Ill. Adm. Code 130.1965(b)(3)
1038	Pets, including horses, fish, birds, insects, dogs, cats, hamsters, lizards, and other animals	Taxable	6.25%	Persons who are in the business of selling pets, animals, horses, fish, birds, insects, and the like are required to collect and remit Use Tax.	86 Ill. Adm. Code 130.1971 and CA-2011-10
1039	Animals purchased for the purpose of breeding and sale of offspring	Non-Taxable		To be non-taxable, the purchaser must be engaged in the business of breeding and selling offspring. Examples include, but are not limited to, purchases of dogs used in breeding to produce puppies for sale and purchases of semen used for artificial insemination of livestock for direct agricultural production.	86 Ill. Adm. Code 130.1971 , 130.210 , and 130.2100
1040	Suppliers to operators of games of chance	Taxable	6.25%	Persons engaged in selling tangible personal property to operators of raffles, punch boards, mechanical gambling devices and other games of chance, for disposition to players during the operation of such games of chance, are engaged in the business of selling tangible personal property and must collect and remit Use Tax.	86 Ill. Adm. Code 130.1975

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1041	Optometrists – when responsible for collecting Use Tax	Taxable	6.25%	If an optometrist makes sales of nonprescription sun glasses, cleaning solutions, field glasses, opera glasses, and other tangible personal property they are required to collect and remit Use Tax.	86 Ill. Adm. Code 130.1980
1042	Pawnbrokers - sales of unredeemed property	Taxable	6.25%	In the case of a pawner or pledger who does not redeem the property pledged or pawned within the specified statutory time, such property is generally forfeited to the pawnbroker, to whom title to the property passes at the time of such forfeiture. Where pawnbrokers thereafter engage in the business of selling such articles for use or consumption, they are required to collect Use Tax.	86 Ill. Adm. Code 130.1985
1043	Personalized tangible personal property - items which maintain inherent commercial value	Taxable	6.25%	Items which retain value, even after personalization, are subject to Use Tax. This is also true even if the items are produced only upon receipt of an order (e.g., thermometers, pencils, pens, mirrors, silverware, notebooks, diaries, baby books, guest registers and other similar books of general utility for the recording of information, brief cases, wallets, toys, paper weights, pins and other jewelry, watches, rulers, match books, playing cards, blotters, calendars, bags, and other fairly standard salable containers, napkins, dishes [whether made from paper or some other material], handkerchiefs, and other articles of merchandise which bear the name, monogram, or trade-mark of the purchaser or of some other person, or which bear advertising inscriptions of the purchaser or some other persons).	86 Ill. Adm. Code 130.1995
1044	Personalized tangible personal property -items which have no commercial value	Non-Taxable		Retailers are not required to collect and remit tax from purchasers of items which have no commercial value to anyone other than the purchaser for whom it is produced (e.g., personalized business calling cards, greeting cards, letterheads, envelopes, labels, name plates, badges, and medallions).	86 Ill. Adm. Code 130.1995
1045	Prepaid calling arrangements	Taxable	6.25%	"Prepaid telephone calling arrangements" means the right to exclusively purchase telephone or telecommunications services that must be paid for in advance and enable the origination of one or more intrastate, interstate, or international telephone calls or other telecommunications using an access number, an authorization code, or both, whether manually or electronically dialed, for which payment to a retailer must be made in advance, provided that, unless recharged, no further service is provided once that prepaid amount of service has been consumed.	35 ILCS 105/3 and 3-27; and ST-15-0006-PLR

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1046	Printed materials - standard stock or items which serve the function of standard stock sold at retail	Taxable	6.25%	Taxable materials include stock or standard items sold for use and consumption (e.g., legal forms, stock or standard greeting cards, pictures, or other items that are stocked for sale or generally offered for sale to the public).	86 Ill. Adm. Code 130.2000
1047	Printed materials - custom stock	Non-Taxable		Non-taxable materials include material printed in accordance with copy supplied to the printer by the purchaser or otherwise printed in accordance with the purchaser's specifications and special order. Materials generally include sales by persons engaged in graphic arts production as long as items so produced do not serve substantially the same function as stock or standard items of tangible personal property sold at retail. Examples include personalized items, such as wedding invitations or holiday cards.	86 Ill. Adm. Code 130.2000
1048	Products of photo processing	Taxable	6.25%	For purposes of the tax imposed on photographs, negatives, and positives, photo processing includes, but is not limited to, developing films, positives and negatives, transparencies, tinting, coloring, and making and enlarging prints. For example, a photographer develops exposed film and transfers negatives and prints to a consumer. Tax is collected on the entire bill. Photo processing does not include products of photo processing produced for use in motion pictures for public commercial exhibition, color separation, typesetting, and platemaking by photographic means in the graphic arts industry, and does not include any procedure, process, or activity connected with the creation of the images on the film from which the negatives, positives, or photographs are derived. The sale of items produced by digital photography is not a sale of products of photo processing.	86 Ill. Adm. Code 130.2000
1049	Leases of tangible personal property (excluding vehicles) – True Lease	Taxable	1% or 6.25%	Generally, a true lease has no buyout provision. If a buyout provision does exist, it must be a buyout option based on fair market value to remain a true lease. For a true lease, the lessor is considered the end user and must pay Use Tax at the time of purchase based on the cost price of the tangible personal property purchased for lease to an Illinois lessee. The tax rate due will vary based on the type of tangible personal property being leased.	86 Ill. Adm. Code 130.2013 and 130.220

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1050	Leases of tangible personal property (excluding vehicles) – Conditional Sales Agreement	Taxable	1% or 6.25%	A lease is considered a conditional sales agreement if, at the initiation of the lease, the lessor is guaranteed that the tangible personal property will be sold. A conditional sale usually has a nominal or “one dollar” purchase option at the close of the lease term. The Use Tax is due from a conditional sale when each periodic payment is made. The lessor will collect and remit Use Tax on all receipts of a conditional sale on behalf of the lessee when the tangible personal property is leased to an Illinois lessee. The tax rate due will vary based on the type of tangible personal property being leased.	86 Ill. Adm. Code 130.2013 and 130.220
1051	Picture-framers - selling frames at retail	Taxable	6.25%	Picture framers incur tax liability when they sell frames at retail, even though they make such picture frames only upon receipt of orders therefor. This is true even though the picture framer installs, in such frame, a picture belonging to his purchaser.	86 Ill. Adm. Code 130.2025
1052	Registered pharmacists and druggists – sales of tangible personal property other than drugs and medicines	Taxable	1% or 6.25%	Sales of merchandise, such as thermometers, cleaning supplies, makeup, sunglasses, candy, and soft drinks are taxable at the general merchandise rate. See also Food, not for immediate consumption, excluding candy, soft drinks, and alcohol (IDs 1002 through 1004 and 1010 through 1020).	86 Ill. Adm. Code 130.2035
1053	Clothing	Taxable	6.25%		86 Ill. Adm. Code 130.2040
1054	Clothing - custom made	Taxable	6.25%	There is no deduction for the cost of labor involved in producing the finished item for sale, even when separately stated.	86 Ill. Adm. Code 130.2040
1055	Motor fuel	Taxable	6.25%	Sales of motor fuels, including gasoline, gasohol, and aviation fuel are subject to Use Tax. As of December 31, 2018, biodiesel blends of less than 10% are fully taxable. Biodiesel blends of more than 10% but no more than 99% biodiesel, 100 percent biodiesel, and majority blended ethanol fuel are 100% exempt from Use Tax. Exemptions are reported on Schedule A, Deductions, on Form ST-1, Sales and Use Tax and E911 Surcharge Return. Use Tax for Aviation Fuel is reported on Form ST-70 .	86 Ill. Adm. Code 130.2060 and 86 Ill. Adm. Code Part 500
1056	Cigarettes	Taxable	6.25%	Cigarettes (and little cigars) are subject to Use Tax. Sales of cigarettes into Illinois are also subject to the Cigarette Use Tax of \$1.98 (package of 20) or \$2.475 (package of 25).	86 Ill. Adm. Code 130.2060 and 86 Ill. Adm. Code Parts 440 , 450 , and 660

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1057	Cigars, pipe tobacco, and other tobacco products	Taxable	6.25%	Tobacco products are subject to Use Tax. Tobacco products sold in Illinois are also subject to Tobacco Products Tax.	86 Ill. Adm. Code 130.2060 86 Ill. Adm. Code Part 660
1058	Containers, utensils, wrapping and packing materials and related products - sold for resale	Non-Taxable		Includes sales to restaurants and vendors who then transfer the containers to purchasers in the regular course of business: plastic cups, plates, napkins, boxes, sleeves, straws, and other similar items.	86 Ill. Adm. Code 130.2070
1059	Containers, utensils, wrapping and packing materials and related products - sold for use	Taxable	6.25%	Sales of paper napkins, drinking straws, paper cups, and paper plates to operators of office buildings, hotels, and the like for the use of their employees, tenants, or guests are taxable retail sales. Paper towels and toilet tissues are deemed to be sold for use or consumption when sold to a purchaser for use in connection with the conduct of his business and not for resale as such.	86 Ill. Adm. Code 130.2070
1060	Sales to banks, savings and loan associations, and credit unions – exempt under federal law	Exempt		Sales of tangible personal property for use or consumption to Federally-chartered credit unions, the Federal National Mortgage Association (Fannie Mae), Farm Credit Banks, and Federal Home Loan Banks that are exempt under federal law are not subject to Use Tax.	86 Ill Adm. Code 130.2085
1061	Sales to banks, savings and loan associations, and credit unions – not exempt under federal law	Taxable	1% or 6.25%	Retail sales to national banks, State-chartered banks, Federally-chartered savings and loan associations and other privately-owned financial institutions are subject to Use Tax. This includes sales of building materials and fixtures to construction contractors for incorporation into real estate owned by banks and savings and loan associations.	86 Ill Adm. Code 130.2085
1062	Sales by banks, savings and loan associations, and credit unions	Taxable	1% or 6.25%	State-chartered banks and both Federally- and State-chartered savings and loan associations which engage in selling tangible personal property at retail must collect and remit Use Tax.	86 Ill. Adm. Code 130.2085
1063	Sales to railroad companies	Taxable			86 Ill. Adm. Code 130.2090
1064	Gasohol, coal, coke, fuel oil, biodiesel, biofuel, and other combustibles	Taxable	6.25%	See also Motor fuel (ID 1055) for exemptions related to majority blended ethanol, biodiesel, and biodiesel blends.	86 Ill. Adm. Code 130.2095
1065	Feeds – used or consumed	Taxable	6.25%	The sale of feeds for use in feeding horses, livestock, or poultry, which are not resold but are used, employed, or consumed, for purposes other than sale at market (or for breeding animals whose offspring will be sold) constitutes a "sale at retail" which is subject to Use Tax.	86 Ill. Adm. Code 130.2100

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1066	Feeds – sold for livestock which is for sale at market or for producing dairy or eggs	Non-Taxable		Feeds sold for feeding livestock or poultry for marketing, or for producing dairy products or eggs for marketing, are not a sale for use or consumption. Such sales of feeds are deemed to be sales, for purposes of resale, of the property which, "as an ingredient or constituent goes into and forms a part of tangible personal property, subsequently the subject of a 'sale at retail.'"	86 Ill. Adm. Code 130.2100
1067	Floor coverings	Taxable	6.25%	See regulation for exceptions.	86 Ill. Adm. Code 130.2101
1068	Books, sheet music, musical recordings (CDs and other media)	Taxable	6.25%	Does not include digital transfers. See Digital books, digital music, and other digital media (ID 1069).	86 Ill. Adm. Code 130.2105
1069	Digital books, digital music, and other digital media	Non-Taxable		Information or data that is downloaded electronically, such as downloaded books, musical recordings, digital photographic files, newspapers or magazines, does not constitute the transfer of tangible personal property and is not subject to Use Tax. Sales of downloads of computer software are generally taxable. See Computer software (IDs 1031 through 1033).	86 Ill. Adm. Code 130.2105
1070	Newspapers and magazines	Non-Taxable		The newsprint and ink exemption applies to newspapers and magazines. See the regulation to determine whether a publication qualifies as a newspaper or magazine according to the newsprint and ink exemption.	86 Ill. Adm. Code 130.2105
1071	Seeds and fertilizer – resale	Exempt		Seeds and fertilizers that are used in producing agricultural products for sale are exempt. See Form CRT-61.	86 Ill. Adm. Code 130.2110
1072	Seeds and fertilizer – not for resale	Taxable	6.25%	Seeds and fertilizers that are not used in production agriculture are not exempt (e.g., seeds or fertilizer for lawns or home or private gardens).	86 Ill. Adm. Code 130.2110
1073	Machinery, tools, and special-order items	Taxable	6.25%	Sales of machinery and tools not made on special order are sales of tangible personal property and are subject to Use Tax. Machinery and tools produced on order that serve the same function as a standard item or that is an alteration of a standard item are still subject to Use Tax.	86 Ill. Adm. Code 130.2115
1074	Machinery, tools, and special-order items - when considered a sale of service	Non-Taxable		Special orders of machinery and tools "of use or value only to the purchaser" (e.g., tools, dies, jigs, patterns, gauges, models, exhibits, and the like) are not taxable if they meet the criteria listed in the regulation. See regulation.	86 Ill. Adm. Code 130.2115

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1075	Curtains, blinds, awnings, shades, screen doors, window screens, storm doors and storm windows, slip covers, floor coverings, and other similar items made to order	Taxable	6.25%	Items that are produced on special order and serve substantially the same function as stock or standard items of tangible personal property sold at retail are taxable.	86 Ill. Adm. Code 130.2140
1076	Vendors of memorial stones and monuments	Taxable	6.25%	Persons who engage in the business of selling monuments, grave markers, and the like to purchasers for use or consumption, and not for resale, incur Use Tax liability on their receipts from such sales whether such items are sold as stock or standard items, or whether such items are produced on special order by the seller for the purchaser. Such items, when produced on special order, serve substantially the same function as stock or standard items that are sold at retail.	86 Ill. Adm. Code 130.2150
1077	Signs - with commercial value	Taxable	6.25%	Signs which have use or value, even when produced on special order, are subject to Use Tax. Examples: "Parking" "Real Estate" or computerized signs that can be programmed with inputs (but without a personalized casing).	86 Ill. Adm. Code 130.2155
1078	Signs - with value only to purchaser	Non-Taxable		Retailers are not required to collect Use Tax on signs which have value only to the purchaser.	86 Ill. Adm. Code 130.2155
1079	Steam	Taxable	6.25%	Steam sold for use or consumption is subject to Use Tax when the condensate is not returned to the retailer. See regulation.	86 Ill. Adm. Code 130.2156
1080	Tangible personal property employed for premiums, advertising, prizes, etc. - when responsible for collecting Use Tax	Taxable	6.25%	Tangible personal property sold to purchasers who give such property away for premiums, advertising, prizes, or for any other reason, apart from their sale of other tangible personal property or service, is considered the sale of tangible personal property at retail and as such is subject to tax (e.g., calendars, coffee mugs, and pens which are sold to a dealer who gives the items away as part of a sales promotion or advertising campaign, apart from the dealer's sale of other tangible personal property or service).	86 Ill. Adm. Code 130.2160

Common Transactions					
ID	Description	Taxable	Rate	Explanation	References
1081	Veterinarians – retail sales of drugs and medical devices	Taxable	6.25%	See regulation.	86 Ill. Adm. Code 130.2165
1082	Veterinarians - sales of non-medical items including combs, brushes, clippers, name tags, non-medicated shampoo, leashes, collars, toys, and waste handling products	Taxable	6.25%		86 Ill. Adm. Code 130.2165
1083	Sales of coupon books, gift certificates, and gift cards	Non-Taxable			86 Ill. Adm. Code 130.2125
1084	Data Centers	Exempt		Qualified tangible personal property used in the construction and operation of a data center that has been granted a certificate of exemption by DCEO, whether the tangible personal property is purchased by the owner, operator, or tenant of the data center or by a contractor of the owner, operator, or tenant, is exempt from Retailers' Occupation Tax.	86 Ill. Adm. Code 130.1957

Special Situations and Exemptions					
ID	Description	Taxable	Rate	Explanation	References
3001	Sales Tax Holidays			None	
3002	Coupons - seller receives full or partial reimbursement	Taxable		If a retailer allows a purchaser a discount from the selling price based on a discount coupon for which the retailer will receive full or partial reimbursement (from a manufacturer, distributor, or other source), the retailer must collect tax on the receipts received from the purchaser including the amount of any coupon reimbursement.	86 Ill. Adm. Code 130.2125
3003	Coupons – no reimbursement received by retailer	Non-taxable		If a retailer allows a purchaser a discount from the selling price based on a discount coupon for which the retailer receives no reimbursement from any source, the amount of the discount may be subtracted from the selling price. Only the receipts actually received by the retailer from the purchaser, not including the value of the coupon, are subject to tax.	86 Ill. Adm. Code 130.2125
3004	Community water supply, tangible personal property used in construction or maintenance	Exempt		Tangible personal property used in the construction or maintenance of a community water supply, as defined under Section 3.145 of the Environmental Protection Act, that is operated by a not-for-profit corporation that holds a valid water supply permit issued under Title IV of the Environmental Protection Act is exempt. To document the exemption, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the not-for-profit corporation that operates the community water supply. The Certificate of Eligibility for Sales Tax Exemption must be obtained at the time of sale.	86 Ill. Adm. Code 130.1934
3005	Low sulfur dioxide emission coal-fueled devices	Exempt		Purchases of low sulfur dioxide emission coal-fueled devices are exempt from the Use Tax. This exemption extends to and includes the purchase of such a device, or materials to construct such a device which are physically incorporated into the device, by a contractor who retransfers the device to his purchaser in fulfillment of a contract to furnish such a device to, and install it for, his purchaser.	86 Ill. Adm. Code 130.335
3006	Coal exploration, mining, off highway hauling, processing, maintenance, and reclamation equipment	Exempt		Exemption applies until July 1, 2023 (35 ILCS 105/3-5)	86 Ill. Adm. Code 130.350
3007	Aggregate exploration, mining, off highway hauling, processing, maintenance, and reclamation equipment	Exempt		Exemption applies until July 1, 2023 (35 ILCS 105/3-5)	86 Ill. Adm. Code 130.351

Special Situations and Exemptions					
ID	Description	Taxable	Rate	Explanation	References
3008	Sales to governmental bodies, foreign diplomats, and consular personnel	Exempt		See regulations.	86 Ill. Adm. Code 130.2080 and 86 Ill. Adm. Code Part 130 Illustration A
3009	Tangible personal property used or consumed in Enterprise Zones by certified businesses or by High Impact businesses	Exempt		Exemptions include tangible personal property used or consumed in graphic arts production within Enterprise Zones located in a county of more than 4,000 persons and less than 45,000 persons, the process of manufacturing and assembly within Enterprise Zones, and the operation of pollution control facilities located within Enterprise Zones or by High Impact Businesses. The purchaser must provide the retailer with current certificate of eligibility issued by the Department of Commerce and Economic Opportunity (DCEO) and a written statement of exemption signed by the certified business. See regulations.	86 Ill. Adm. Code 130.1946 , 130.1947 , and 130.1948
3010	Building materials exemptions	Exempt		Exemptions include sales of building materials incorporated into the South Suburban Airport, the Illiana Expressway, Real Estate within Enterprise Zones, a High Impact Business, a Redevelopment Project within an Intermodal Terminal Facility Area, and Real Estate within River Edge Redevelopment Zones. At the time of purchase, the purchaser must provide the retailer with a valid exemption certificate in the contractor's or subcontractor's name. It is the responsibility of the retailer to verify the validity of the exemption certificate received using IDOR's verification page . If the exemption certificate is not valid at the time of purchase the contractor is not able to make tax-exempt purchases at that time. The contractor must contact the Zone Administrator to be added to the approved list of contractors and to be issued an exemption number by IDOR prior to making tax exempt purchases. See regulations.	86 Ill. Adm. Code 130.1949 , 130.1950 , 130.1951 , 130.1952 , 130.1953 , and 130.1954
3011	Donations			A retailer incurs Use Tax liability when donating tangible personal property to be used in Illinois.	86 Ill. Adm. Code 150.305
3012	Federal taxes			A person computing Use Tax liability may deduct from gross receipts an amount equivalent to taxes which are paid to the federal government if required by federal law to collect such taxes from purchasers and remit taxes directly to the federal government. Federal excise taxes imposed upon the manufacture or production of tangible personal property, and Federal processing taxes, compensating taxes, importation taxes and taxes on floor stocks are not deductible. See regulation.	86 Ill. Adm. Code 130.445

Special Situations and Exemptions					
ID	Description	Taxable	Rate	Explanation	References
3013	Transportation and delivery charges – when taxable	Taxable	1% or 6.25%	If the transportation/delivery charge is not separately stated to the purchaser, or if the charge is separately stated and the purchaser does not have the option to obtain the property in any manner except by payment of the transportation and delivery charge to the retailer (e.g., no option to pick up or no offer for free or qualified free transportation or delivery), then the transportation/delivery charge is considered part of the taxable purchase price. Costs incurred by the retailer in moving property to some point from which the property will be delivered or shipped to the purchaser, or picked up by the purchaser, are not outgoing transportation and delivery charges; they are part of the retailer's costs of doing business. Any amounts the retailer charges a purchaser for moving the property cannot be deducted from the gross receipts of that sale. For applicable rate, see regulations.	86 Ill. Adm. Code 130.415
3014	Transportation and delivery charges – when not taxable	Non-Taxable		If the transportation/delivery charge is separately stated to the purchaser, and the purchaser has the option to obtain the property in any manner except by payment of the transportation and delivery charge to the retailer (e.g., has the option to pick up or has an offer for free or qualified free transportation or delivery), then the transportation/delivery charge is not taxable.	86 Ill. Adm. Code 130.415
3015	Traded-in property	Non-Taxable		Selling price means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, or traded in property. Only if the traded in property is of like kind and character as the property being sold may it be used as a deduction from the selling price of the property sold.	86 Ill. Adm. Code 130.425
3016	Deposit or prepayment on purchase price	Taxable	6.25%	If a buyer in a sale at retail makes a binding commitment to purchase (the tangible personal property identified in the contract is subject to binding commitment) any payment on the purchase price is subject to Use Tax. The giving of the binding purchase order by the purchaser, identification of the tangible personal property, and the making of a payment on the price are sufficient to establish that a sale is intended for the purpose of determining that the seller has received taxable "gross receipts".	86 Ill. Adm. Code 130.430
3017	Installation, alteration, and special service charges – when taxable	Taxable	6.25%	When installation, alteration, and service charges are not separately agreed upon and separately stated (see regulation), they are considered part of the selling price and subject to tax.	86 Ill. Adm. Code 130.450
3018	Installation, alteration, and special service charges – when non-taxable	Non-taxable		When installation, alteration, and service charges are separately agreed upon and separately stated (see regulation), they are considered services and are not subject to tax.	86 Ill. Adm. Code 130.450

Special Situations and Exemptions					
ID	Description	Taxable	Rate	Explanation	References
3019	Sales to nonprofit arts or cultural organizations	Exempt		If an organization qualifies, IDOR will issue an E-number that the organization must provide to vendors. Sales to such organizations are not taxable provided the organization supplies the valid E-number to the vendor at the time of purchase. Nonprofit arts and cultural organizations are first required to obtain this number before they can make tax-free purchases.	86 Ill. Adm. Code 130.2004
3020	Sales by exclusively charitable, religious, or educational organizations	Taxable		There are very limited circumstances when these types of organizations are not required to collect Use Tax from their purchasers.	86 Ill. Adm. Code 130.2005(a)(3)
3021	Sales of tangible items by schools - soft drinks, candy, popcorn, vending machine sales, and book store sales	Taxable	6.25%	Schools must collect tax on sales of tangible property.	86 Ill. Adm. Code 130.2006
3022	Sales to lodges, nonprofit associations, nonprofit corporations, labor unions, civic clubs, and patriotic organizations	Taxable		Purchasers must qualify as a government entity or an exclusively religious, charitable, or educational organization to qualify to receive a Sales Tax Exemption Number from IDOR. To make a tax-free purchase the purchaser must present a valid E-number to the retailer at the time of purchase. Non-profit status with the IRS is not sufficient to qualify for a Sales Tax Exemption without other consideration.	86 Ill. Adm. Code 130.2005
3023	Sales by governmental bodies other than the federal government	Taxable	6.25%	State and local governments, or any agency or instrumentality of any such governmental body, must collect Use Tax when engaging in the selling of tangible personal property at retail to the public other than in the performance of a governmental function.	86 Ill. Adm. Code 130.2055
3024	Sales to purchasers performing contracts with governmental bodies	Exempt		To be exempt, there must be a contract between the purchaser and the governmental body that requires the purchaser to provide tangible personal property to the governmental body, and the contract is specific in documenting a sale of tangible personal property from the purchaser to the governmental body. The contract must specify that the tangible personal property is transferred to the governmental body. If these conditions are not met, the purchaser is not exempt.	86 Ill. Adm. Code 130.2076
3025	Sales to governmental bodies	Exempt		Sales of tangible personal property made to a governmental body (federal, state, local or foreign) are exempt from the tax only if the governmental body has a valid E-number issued by IDOR and it provides this valid E-number to the retailer at the time of purchase, who records the number instead of collecting the tax.	86 Ill. Adm. Code 130.2080 and 150.332

References to other taxes and returns			
ID	Description	Explanation	Reference
4001	Automobile rental	Use Tax is not incurred on automobile rentals for a period of 1 year or less. See regulations for Automobile Renting Occupation Tax.	86 Ill. Adm. Code Part 180
4002	Aviation fuel	Sales of aviation fuel are reported on Form ST-70 . Sales of aviation fuel should be included on Line 1, Total Receipts and then deducted on Schedule A, line 16 with description "Sales of Aviation Fuel."	FY 2018-16 and Form ST-70 instructions
4003	Dry cleaning and laundry services	Dry cleaning and laundry services are not subject to sales tax. See Dry-Cleaning Solvent Tax and Dry-Cleaning Operator's License Fee.	415 ILCS 135/60 to 135/80
4004	Motor vehicles - sales	Marketplace facilitators, marketplace sellers, and remote sellers are not required to collect and remit Use Tax on titled vehicles.	86 Ill. Adm. Code 130.111 , 130.540 , and 150.705
4005	Motor vehicles - leases	Marketplace facilitators, marketplace sellers, and remote sellers are not required to collect and remit Use Tax on titled vehicles.	86 Ill. Adm. Code 130.455 , 130.540 , and 150.705
4006	Prepaid Wireless E-911 surcharge	The Prepaid Wireless E911 Surcharge is a charge imposed on the consumer and collected by retailers when a retail transaction takes place that includes prepaid wireless telecommunications service. It is reported on Form ST-1. Retailers are subject to the surcharge. The surcharge is 3% per retail transaction. In the city of Chicago, the surcharge is 9% per retail transaction. IDOR collects the tax on behalf of the city of Chicago on Form ST-1.	50 ILCS 753/15 and ST-15-0008-PLR
4007	Sales of wireless services	See Telecommunications Excise Tax Act . Sales of wireless service are not subject to sales tax.	35 ILCS 630/1, et seq.
4008	Telecommunications	See Telecommunications Excise Tax Act . Sales of telecommunications service are not subject to sales tax.	35 ILCS 630/1, et seq.
4009	Watercraft and aircraft - sales	Marketplace facilitators, marketplace sellers, and remote sellers are not required to collect and remit Use Tax on aircraft and certain watercraft.	86 Ill. Adm. Code 130.111 , 130.540 , and 150.705