

In order to prevent actual or likely multi-state taxation, the Use Tax does not apply to the use of tangible personal property in this State that is acquired outside this State and caused to be brought into this State by a person who has already paid a tax in another state in respect to the sale, purchase, or use of that property, to the extent of the amount of the tax properly due and paid in the other state. See 86 Ill. Adm. Code 150.310. (This is a GIL.)

September 3, 2009

Dear Xxxxx:

This letter is in response to your letter dated July 22, 2009, 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:

I have been given this address to request the reference to the statute from taxpayer assistance call person, when I called in yesterday.

I am requesting reference to the statute that allows for the adjustment of use tax on sales taxes paid to another state for end user, where the property becomes part of real property and was personal property in the hands of the seller.

The instructions for the ST-1 say that an adjustment is made for the purchases, where taxes are paid to another state. I am looking for statutory or administrative authority for such adjustment.

Can you office fax or e-mail that sighting as I do not see it in the statutes.

Please call or e-mail my office if you need additional information concerning this issue.

DEPARTMENT'S RESPONSE:

Based on the very limited information contained in your letter, I believe the following information is what you are requesting.

The Use Tax Act provides that in order to prevent actual or likely multi-state taxation, Use Tax does not apply to the use of tangible personal property in this State of tangible personal property that is acquired outside this State and caused to be brought into this State by a person who has already paid a tax in another state in respect to the sale, purchase, or use of that property, to the extent of the amount of the tax properly due and paid in the other state. See 35 ILCS 105/3-55(d) and 86 Ill. Adm. Code 150.310(a)(3). In addition, depreciation is allowed for out-of-State use. See 35 ILCS 105/3-10 and 86 Ill. Adm. Code 150.110.

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,

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TDC:msk