

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.701 General Information on Obtaining a Certificate of Registration

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 130
RETAILERS' OCCUPATION TAX**

Section 130.701 General Information on Obtaining a Certificate of Registration

- a) It shall be unlawful for any person to engage in the business of selling tangible personal property at retail in this State without a certificate of registration from the Department.
- b) Every person who engages in the business of selling tangible personal property at retail in this State must procure a certificate of registration (and sub-certificate of registration when required) from the Department.
- c) For information with respect to penalties for violating this requirement, see Subpart I.
- d) The application to register must be made on a form prescribed and furnished by the Department for that purpose. Upon request therefor, made to the Department of Revenue, an application form will be furnished. Each application shall be signed and verified. The application shall contain an acceptance of responsibility by the person or persons who will be responsible for filing returns and payment of the taxes due under the Act. Applications to register may be submitted electronically on the Department's website at www.tax.illinois.gov.
- e) **Special Requirements Pertaining to Vending Machines**
If the applicant will sell tangible personal property at retail through vending machines, his or her application to register shall indicate the number of vending machines to be so operated; and through December 31, 2011, he or she shall notify the Department by January 31 of the number of vending machines that he or she was using in his or her business of selling tangible personal property at retail on the preceding December 31. Beginning January 1, 2012, persons who add additional vending machines must contact the Department to request additional sub-certificates of registration, as well as inform the Department of the total number of vending machines from which retail sales are being made. Additional sub-certificates of registration may be requested on the Department's website at www.tax.illinois.gov.
- f) **Posting Bond or Other Security**
 - 1) Every applicant for a certificate of registration shall, within 30 days after he or she commences to engage in the business of selling tangible personal property at retail, furnish a bond from a surety company authorized to do business in the State of Illinois, or a bond signed by 2 personal sureties who have filed, with the Department, sworn statements disclosing net assets equal to at least 3 times the

amount of the bond to be required of the applicant, or a bond secured by an assignment of a bank account or certificate of deposit, stocks or bonds, conditioned upon the applicant paying to the State of Illinois all moneys becoming due under the Retailers' Occupation Tax Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under the Retailers' Occupation Tax Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution.

2) Maximum Amount of Bond or Other Security

A) The Department shall fix the amount of such security in each case, taking into consideration the amount of money expected to become due from the applicant under the Retailers' Occupation Tax Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under the Retailers' Occupation Tax Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution. The amount of security required by the Department shall be such as, in its opinion, will protect the State of Illinois against failure to pay the amount which may become due from the applicant under the Retailers' Occupation Tax Act and under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the applicant under the Retailers' Occupation Tax Act will permit the applicant to engage in business without registering separately under such other law, ordinance or resolution, but the amount of the security required by the Department shall not exceed three times the amount of the applicant's average monthly tax liability, or \$50,000, whichever amount is lower.

B) No certificate of registration under the Retailers' Occupation Tax Act shall be issued by the Department until the applicant provides the Department with satisfactory security as provided for in this subsection (f).

3) Exception from Security Requirements for Prior Continuous Compliance Taxpayers

Any taxpayer who has, as verified by the Department, faithfully and continuously complied with the condition of his or her bond or other security under the provisions of the Act for a period of 3 consecutive years shall be considered to be a Prior Continuous Compliance taxpayer. Every Prior Continuous Compliance taxpayer shall be exempt from all requirements under the Act concerning the furnishing of security as a condition precedent to his being authorized to engage in the business of selling tangible personal property at retail in this State. This exemption shall continue for each such taxpayer until he or she may be determined by the Department to be delinquent in the filing of any returns, or is determined by the Department (either through the Department's issuance of a final assessment that has become final under the Act, or by the taxpayer's filing of a return that admits tax that is not paid to be due) to be delinquent or deficient in the paying of any tax under the Retailers' Occupation Tax Act or under any other State tax law or municipal or county tax ordinance or resolution under which the certificate of registration that is issued to the registrant under the Retailers' Occupation Tax Act will permit the registrant to

engage in business without registering separately under such other law, ordinance or resolution, at which time that taxpayer shall become subject to all the financial responsibility requirements of the Act and, as a condition of being allowed to continue to engage in the business of selling tangible personal property at retail, shall be required to post bond or other acceptable security with the Department covering liability that the taxpayer may thereafter incur. Any taxpayer who fails to pay an admitted or established liability under the Act may also be required to post bond or other acceptable security with this Department guaranteeing the payment of the admitted or established liability.

g) Issuance of Certificate of Registration

Upon receipt of the application for certificate of registration in proper form, and upon approval by the Department of the security furnished by the applicant, the Department shall issue to the applicant a certificate of registration that shall permit the person to whom it is issued to engage in the business of selling tangible personal property at retail in this State.

h) *No certificate of registration issued prior to July 1, 2017 to a taxpayer who files returns required by the Act on a monthly basis, or renewed prior to July 1, 2017 by a taxpayer who files returns required by the Act on a monthly basis, shall be valid after the expiration of 5 years from the date of its issuance or last renewal. No certificate of registration issued on or after July 1, 2017 to a taxpayer who files returns required by the Act on a monthly basis or renewed on or after July 1, 2017 by a taxpayer who files returns required by the Act on a monthly basis shall be valid after the expiration of 1 year from the date of its issuance or last renewal. The expiration date of a sub-certificate of registration shall be that of the certificate of registration to which the sub-certificate relates. Prior to July 1, 2017, a certificate of registration shall be automatically renewed, subject to revocation as provided by the Act, for an additional 5 years from the date of its expiration unless otherwise notified by the Department. On and after July 1, 2017, a certificate of registration shall automatically be renewed, subject to revocation as provided by the Act, for an additional 1 year from the date of its expiration unless otherwise notified by the Department as provided by this subsection.*

i) Beginning January 1, 2015, when a taxpayer to whom a certificate of registration is issued under the Act is in default to the State of Illinois for delinquent returns or for moneys due under the Act or any other State tax law or municipal or county ordinance administered or enforced by the Department, the Department shall, not less than 60 days before the expiration of the certificate of registration, give notice to the taxpayer to whom the certificate was issued of the account period of the delinquent returns, the amount of tax, penalty and interest due and owing from the taxpayer, and that the certificate of registration shall not be automatically renewed upon its expiration date unless the taxpayer, on or before the date of expiration, has filed and paid the delinquent returns or paid the defaulted amount in full.

j) The Department may, in its discretion, approve renewal by an applicant who is in default if, at the time of application for renewal, the applicant files all of the delinquent returns or pays to the Department the percentage of the defaulted amount as may be determined by the Department and agrees in writing to waive all limitations upon the Department for collection of the remaining defaulted amount to the Department over a period not to exceed 5 years from the date of renewal of the certificate; however, no renewal application submitted by an applicant who is in default shall be approved if the

immediately preceding renewal by the applicant was conditioned upon the installment payment agreement described in this Section. The payment agreement shall be in addition to, and not in lieu of, the security required by this Section of a taxpayer who is no longer considered a continuous compliance taxpayer. The execution of the payment agreement as provided in the Act shall not toll the accrual of interest at the statutory rate. (Section 2a of the Act)

(Source: Amended at 43 Ill. Reg. 5069, effective April 16, 2019)