

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 131 Section 101 Purpose and Scope of Regulations</b>
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**TITLE 86: REVENUE  
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 131  
LEVELING THE PLAYING FIELD FOR ILLINOIS RETAIL ACT**

**Section 131.101 Purpose and Scope of Regulations**

Public Acts 101-0031 and 101-0604 implemented a series of structural changes to the Illinois sales tax law that are intended to "level the playing field" between Illinois-based retailers and remote retailers by imposing State and local retailers' occupation taxes on Illinois retailers, remote retailers and marketplace facilitators alike. These regulations implement the new requirements for remote retailers and marketplace facilitators, and explain the requirements for certified service providers and for the certified automated systems used by remote retailers. Public Acts 101-0031 and 101-0604 require "remote retailers" to collect and remit State and local retailers' occupation taxes. They also provide that remote retailers may contract with certified service providers to perform their tax remittance functions. Remote retailers may also use certified automated systems to calculate and remit their own taxes. In addition to these changes, the legislation also modified the liability and role of marketplace facilitators. Beginning January 1, 2021, marketplace facilitators are required to remit State and local retailers' occupation taxes on sales made over the marketplace on their own sales and sales made on behalf of marketplace sellers. The legislation provides that State and local retailers' occupation taxes on sales made by remote retailers and marketplace facilitators on behalf of marketplace sellers are incurred based on the rate in effect at the location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser ("destination sourcing"). State and local retailers' occupation taxes for a marketplace facilitator's own marketplace sales are incurred, depending on the nature of the transaction, either at the rate in effect at the location of Illinois inventory from which a sale is fulfilled or the Illinois location where selling activities otherwise occur ("origin sourcing"), or by using destination sourcing. Section 131.155 explains the sourcing rules for different types of retailers.

(SOURCE: Adopted at 45 Ill. Reg. 931, effective December 31, 2020.)