

**Illinois Department of Revenue
Regulations**

Title 86 Part 131 Section 115	Remote Retailers-Determination of Status as a Remote Retailer
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**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

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

Section 131.115 Remote Retailers – Determination of Status as a Remote Retailer

- a) Application of ROTA
 - 1) *Beginning January 1, 2021, a remote retailer is a retailer engaged in the occupation of selling at retail in Illinois for purposes of ROTA if either of the following thresholds is met:*
 - A) *The cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are \$100,000 or more; or*
 - B) *The remote retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois. [35 ILCS 120/2(b)]*
 - 2) Remote retailers that meet or exceed the thresholds in either subsection (a)(1)(A) or (B) shall be liable for all applicable State and locally imposed retailers' occupation taxes administered by the Department on all retail sales to Illinois purchasers.
- b) *A remote retailer shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether it meets the threshold of either subsection (a)(1)(A) or (B) for the preceding 12-month period. If the remote retailer meets the criteria of either subsection (a)(1)(A) or (B) for a 12-month period, he or she is considered a retailer engaged in the occupation of selling at retail in Illinois and is required to remit the retailers' occupation tax and all retailers' occupation taxes imposed by local taxing jurisdictions in Illinois, provided the local taxes are administered by the Department, and to file all applicable returns for one year. A remote retailer shall begin collecting taxes for sales beginning on the first day of the quarter immediately following the end of the 12-month lookback period. Taxes so collected shall be remitted to the Department no later than the 20th day of the calendar month following the month in which they were collected or as otherwise provided in accordance with Section 3 of ROTA. [35 ILCS 120/2(b)]*
- c) *At the end of that one-year period, during which the remote retailer was remitting taxes, the remote retailer shall determine whether it met the threshold of either subsection (a)(1)(A) or (B) for the preceding 12-month period. If the remote retailer met the threshold in either subsection (a)(1)(A) or (B) for the preceding 12-month period, he or she is considered a retailer engaged in the occupation of selling at retail in Illinois and is required to remit all applicable State and local retailers' occupation taxes and file returns for the subsequent year.*

- d) If, at the end of the one-year collection period described in subsection (c), the remote retailer determines that its sales to Illinois purchasers did not meet either of the thresholds in subsection (a)(1) during that year, it must discontinue remitting State and local retailers' occupation taxes. If a remote retailer is no longer required to remit State and local retailers' occupation taxes, it must notify the Department. However, it may alternatively notify the Department that it wishes to change its registration status to voluntarily collect and remit use tax as a courtesy to its Illinois purchasers, since those purchasers will still incur a use tax liability that they must otherwise self-assess and remit directly to the Department. (See 86 Ill. Adm. Code 150.805 for additional information.) All notifications made under this subsection (d) shall be made electronically as required by the Department.

- e) If a remote retailer is no longer required to remit State and local retailers' occupation taxes, it must redetermine, on a rolling quarterly basis, whether it is obligated to once more begin remitting State and local retailers' occupation taxes. For each quarter ending on the last day of March, June, September, and December, the remote retailer must examine its sales for the immediately preceding 12-month period to determine whether it met either of the thresholds in subsection (a)(1). If it met either of those thresholds during that 12-month lookback period, it must remit State and local retailers' occupation taxes for the following 12-month period. At the end of that 12-month period, it must examine its sales, as provided in subsection (a), to determine if it must continue to remit tax.

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