

**Illinois Department of Revenue
Regulations**

Title 86 Part 140 Section 140.140 Other Examples of Taxable Transactions

**TITLE 86: REVENUE
PART 140
SERVICE OCCUPATION TAX**

Section 140.140 Other Examples of Taxable Transactions

- a) Sales of metal, wood, rubber and other ingredients by special tool, die, pattern and machinery producers who incorporate them into such products in such a manner as to be exempt from the Retailers' Occupation Tax Act, if the products are produced for users and delivered in Illinois (see 140.101(g), Service Occupation Tax);
- b) sales of bandages*, medicines*, drugs* and other tangible personal property by doctors to patients as an incident to the furnishing of professional services in Illinois;
- c) sales of medicines*, drugs*, dentures*, materials for fillings and other tangible personal property by dentists to patients as an incident to the furnishing of professional services in Illinois;
- d) sales of arch supports*, trusses*, braces*, etc., by chiropodists, osteopaths and chiropractors as an incident to the furnishing of licensed services in Illinois;
- e) sales of collar supports, coat hangers, suit bags, paper, string, shirtboards, and other tangible personal property by laundries and dry cleaners as an incident to the furnishing of laundering and cleaning services in Illinois;
- f) sales of paper bags, wrapping paper, string and other tangible personal property as an incident to the furnishing of wrapping services in Illinois;
- g) sales of hair tonic and oil, pomades, powders, dyes, lotions, creams and other similar tangible personal property by barbers and beauticians as an incident to the furnishing of services in Illinois in such a way that the property remains on the person of the customer of the barber or beautician;
- h) sales of eyeglasses* and frames* by optometrists and oculists to customers as an incident to the furnishing of licensed services in Illinois; however, when the optometrist or oculist purchases the eyeglasses or frames in finished form from an optician, so that the optometrist or oculist has subcontracted a portion of his service work to the optician thus giving rise to a multi-service situation, see Section 140.145 of this Subpart;
- i) sales of book bindings by bookbinders and other tangible personal property by graphic arts servicemen in Illinois as an incident to the furnishing of services;
- j) sales of paint, wax, undercoating, oil, grease, filters, parts and other similar tangible personal property by automobile servicemen or other servicemen as an incident to the furnishing of services in Illinois;
- k) sales of wax and shoe polish by shoe shiners as an incident to the furnishing of shoe shining services;
- l) sales of repair parts, repair materials and other tangible personal property by persons who repair, remodel or recondition tangible personal property for others, as an incident to their

furnishing of service to their customers; however, such purchases of repair parts and repair materials are not taxable when made by a railroad which will dispose of such parts or materials on a nonprofit basis by installing them, as a repairman, in cars belonging to another railroad at interchange points in connection with the interchange of traffic;

m) sales of food, medicine* and other tangible personal property by business-operated hospitals and sanitariums or by licensed business-operated nursing homes as an incident to rendering hospital or nursing service in Illinois to patients;

n) transfers of prizes by theaters as an incident to service;

o) transfers of embalming fluid by funeral directors as an incident to their providing of an embalming service to others;

p) transfers of dye as an incident to rendering service by persons engaged in the service occupation of dyeing clothing for users;

q) sales of tangible personal property by sign makers as an incident to rendering service in the production of signs which are special enough to be exempt from the Retailers' Occupation Tax under Section 130.2155 of the Retailers' Occupation Tax (86 Ill. Adm. Code 130);

r) sales made by servicemen as an incident to sales of service to national banks or State-chartered banks or to Federal or State savings and loan associations, and sales made by State-chartered banks or Federal and State savings and loan associations as an incident to sales of service. Sales by national banks as an incident to sales of service are also subject to Service Occupation Tax;

s) transfers of fertilizers, pesticides and lawn care chemicals incident to service provided under contracts to maintain lawns, trees, shrubs and other plants.

t) The foregoing examples are illustrative, but not exhaustive.

AGENCY NOTE: Items with asterisks (*) are subject to 1% rate only.

(Source: Amended at 14 Ill. Reg. 15480, effective September 10, 1990)