



Publication 104

Common Sales and Use Tax Exemptions

December 2021

The information in this publication is current as of the date of the publication. Please visit our website at tax.illinois.gov to verify you have the most current revision.

This publication is written in the plain English style so the tax information is easier to understand. As a result, we do not directly quote Illinois statutes and the Illinois Administrative Code. The contents of this publication are informational only and do not take the place of statutes, rules, and court decisions. Visit our website at tax.illinois.gov to view the statutes and rules regarding the various topics covered in this publication for further clarification or more detail. All of the sections and parts referenced can be found in Title 86 of the Code.

About this publication

The focus of this publication is to:

- identify several of the most common sales and use tax exemptions and
- provide additional information about these common exemptions.

General Information

Retailers and servicepersons are required to pay Illinois Sales Tax (Retailers' Occupation Tax and Service Occupation Tax) on sales of tangible personal property and the transfer of tangible personal property incident to sales of service. Retailers and servicepersons must determine, when the property is sold or transferred incident to a sale of service, whether the purchaser is buying the property "for use or consumption" and whether the purchaser has an exemption for the tangible personal property.

Customers who make tax-exempt purchases must provide retailers with proper documentation. Retailers and servicepersons who cannot properly document a tax-exempt sale will be liable for paying sales tax, and if applicable, the E911 Surcharge and ITAC Assessment on the transaction. Retailers, servicepersons, and customers making tax-exempt purchases must [maintain books and records](#) to document the tax-exempt status of purchases.

This publication only provides an overview of the common sales and use tax exemptions. Purchasers, retailers, and servicepersons will need to review the references in this document for more information.

Taxpayer Bill of Rights

You have the right to call the Illinois Department of Revenue (IDOR) for help in resolving tax problems.

You have the right to privacy and confidentiality under most tax laws.

You have the right to respond, within specified time periods, to IDOR notices by asking questions, paying the amount due, or providing proof to refute IDOR's findings.

You have the right to appeal IDOR decisions, in many instances, within specified time periods, by asking for IDOR review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.

If you have overpaid your taxes, you have the right, within specified time periods, to file for a credit (or, in some cases, a refund) of that overpayment.

For more information about these rights and other IDOR procedures, you may write us at the following address:

Problems Resolution Office
Illinois Department of Revenue
PO Box 19014
Springfield, IL 62794-9014

Get forms and other information faster and easier at tax.illinois.gov

Common Sales and Use Tax Exemptions¹

Exemption name	Statutory Citation	Administrative Rule: 86 Ill. Adm. Code	How the exemption is documented	Where to report exemption on Form ST-1 , Schedule A	More Information
Data Center	35 ILCS 120/2-5(44)	130.1957	DCEO Certificate of Exemption	Line 16	Informational Bulletin FY 2020-04-A
Building materials - electric vehicle manufacturers, electric vehicle component parts manufacturers, and electric vehicle power supply manufacturers	35 ILCS 120/5m		Form EZ-1 or signed certification with all information included in Form EZ-1. ²	Line 16	DCEO's Reimagining Electric Vehicles (REV) Illinois Program REV Illinois Building Materials Exemption in Public Act 102-0669
Building materials - Enterprise Zone	35 ILCS 120/5k	130.1951	Form EZ-1 or signed certification with all information included in Form EZ-1. ²	Line 10a	Business Incentives Reporting and Building Materials Exemption Certification
Building materials - High Impact Business	35 ILCS 120/5l	130.1952	Form EZ-1 or signed certification with all information included in Form EZ-1. ²	Line 11a	Business Incentives Reporting and Building Materials Exemption Certification
Building materials - River Edge Redevelopment Zone	35 ILCS 120/2-54	130.1954	Form EZ-1 or signed certification with all information included in Form EZ-1. ²	Line 12	River Edge Redevelopment Zone Business Report

¹ For a complete listing of sales and use tax exemptions, see [35 ILCS 120/1 et seq.](#), [35 ILCS 105/1 et seq.](#), [35 ILCS 110/1 et seq.](#), and [35 ILCS 115/1 et seq.](#)

² It is the retailer's or serviceperson's responsibility to verify that the Building Materials Exemptions Certificate is valid and active using the "[Verify the validity of a Building Material Exemption Certificate](#)" tool on our website at tax.illinois.gov.

Common Sales and Use Tax Exemptions¹

Exemption name	Statutory Citation	Administrative Rule: 86 Ill. Adm. Code	How the exemption is documented	Where to report exemption on Form ST-1 , Schedule A	More Information
Enterprise zones and High Impact Businesses - items other than building materials	35 ILCS 120/1d	130.1946 130.1947 130.1948	DCEO Certificate of Eligibility	Line 10b - EZ Line 11b - HIB	Business Incentives Reporting and Building Materials Exemption Certification
Farm machinery and equipment	35 ILCS 120/2-5(2)	130.305	Form ST-587 or signed certification with all information included in Form ST-587 ³	Line 7	Compliance Alert 2016-16 Compliance Alert 2007-03
Governmental bodies	35 ILCS 120/2-5(11)	130.2080	IDOR Exemption Certificate ("E" number) ⁴	Line 13	86 Ill. Adm. Code Part 130, Illustration A
Interstate commerce	35 ILCS 120/2-5(17) 35 ILCS 120/ 2-60 35 ILCS 105/3-55(g)	130.605	Waybill or bill of lading USPS receipt Trip sheet	Line 5	
Manufacturing and Assembling Machinery and Equipment Exemption	35 ILCS 120/2-45 35 ILCS 120/2-5(14)	130.330	Form ST-587 or signed certification with all information included in Form ST-587 ³	Line 6	Informational Bulletins FY 2019-28 FY 2018-01

¹ For a complete listing of sales and use tax exemptions, see [35 ILCS 120/1 et seq.](#), [35 ILCS 105/1 et seq.](#), [35 ILCS 110/1 et seq.](#), and [35 ILCS 115/1 et seq.](#)

³ It is the retailer's or serviceperson's responsibility to verify that the Illinois Account Number listed on [Form ST-587](#) is valid and active using the "Verify a Registered Business" tool on our website at [mytax.illinois.gov](#).

⁴ It is the retailer's or serviceperson's responsibility to verify that the "E-number" listed on the [IDOR Exemption Certificate](#) is valid and active using the "Verify a Sales Tax Exemption Number (E-number)" tool on our website at [mytax.illinois.gov](#).

Common Sales and Use Tax Exemptions¹

Exemption name	Statutory Citation	Administrative Rule: 86 Ill. Adm. Code	How the exemption is documented	Where to report exemption on Form ST-1 , Schedule A	More Information
Exclusively charitable, religious, or educational organizations and certain other organizations	35 ILCS 120/2-5(6) 35 ILCS 120/2-5(9) 35 ILCS 120/2-5(10) 35 ILCS 120/2-5(11) 35 ILCS 120/2-5(34)	130.2004 through 130.2009	IDOR Exemption Certificate ("E" number) ⁴	Line 13	Exclusively charitable, religious, or educational organizations and certain other organizations
Resale	35 ILCS 120/1	130.210 130.1401 130.1405	Form CRT-61 or signed certification with all information included in Form CRT-61 ⁵	Line 4	Verify a Business
Rolling stock	35 ILCS 120/2-5(13) 35 ILCS 120/2-50 35 ILCS 120/2-51 35 ILCS 105/3-55(c)	130.340	Form RUT-7 or signed certification with all information included in Form RUT-7 ⁶	Line 16	Informational Bulletin FY 2018-08

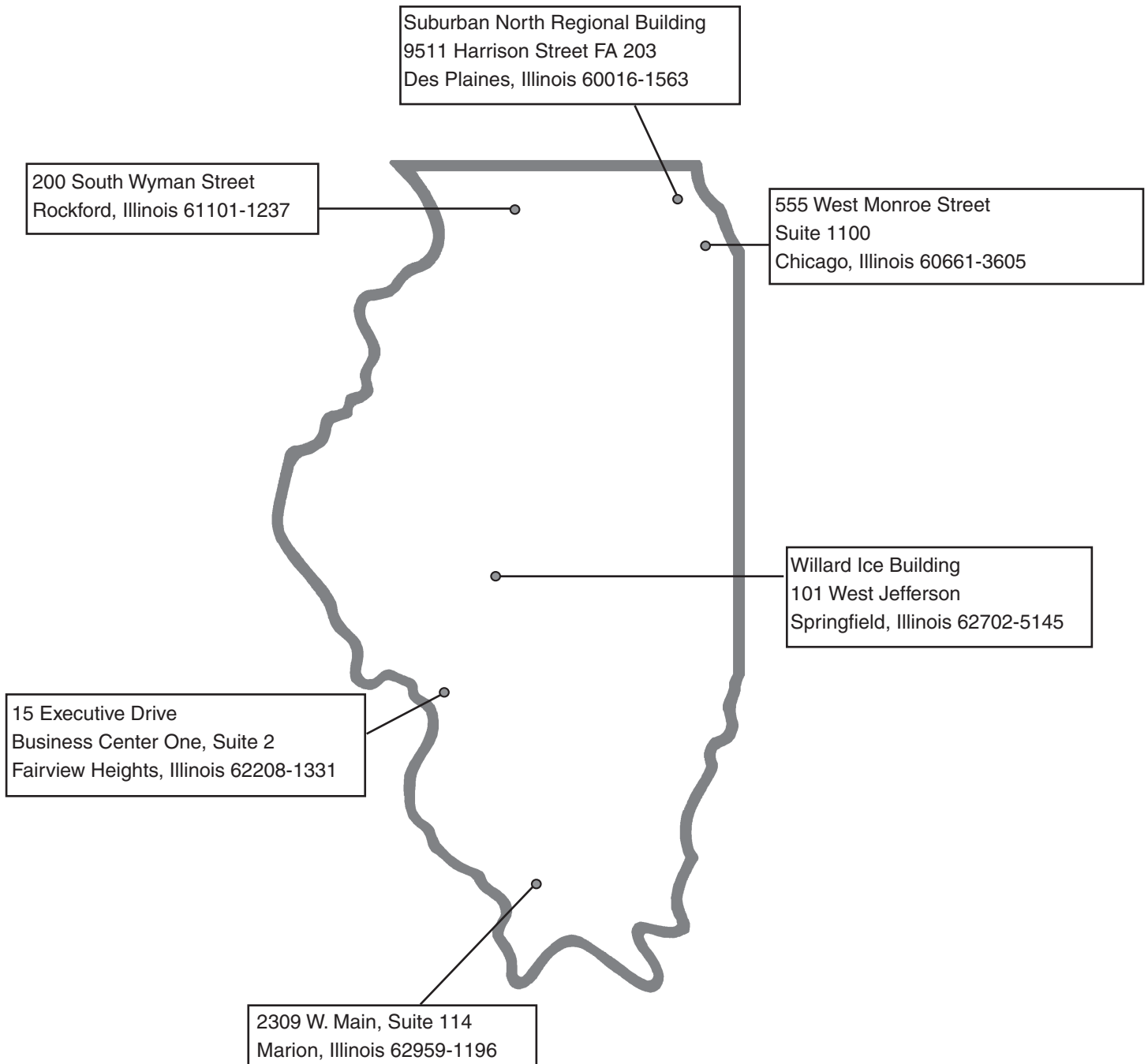
¹ For a complete listing of sales and use tax exemptions, see [35 ILCS 120/1 et seq.](#), [35 ILCS 105/1 et seq.](#), [35 ILCS 110/1 et seq.](#), and [35 ILCS 115/1 et seq.](#)

⁴ It is the retailer's or serviceperson's responsibility to verify that the "E-number" listed on the IDOR Exemption Certificate is valid and active using the "Verify a Sales Tax Exemption Number (E-number)" tool on our website at [mytax.illinois.gov](#).

⁵ It is the retailer's or serviceperson's responsibility to verify that the Illinois Account Number listed on Form CRT-61, Certificate of Resale, is valid and active using the "Verify a Registered Business" tool on our website at [mytax.illinois.gov](#).

⁶ It is the retailer's or serviceperson's responsibility to verify that the USDOT Number listed on Form RUT-7, Rolling Stock Certification for Motor Vehicles and Trailers (and Repair and Replacement Parts) Purchased on or after August 24, 2017, is valid and active using the [Safety and Fitness Electronic Records \(SAFER\) System](#) on the U.S. Department of Transportation Federal Motor Carrier Safety Administration website.

Office Locations



Contact Information

Visit our website at tax.illinois.gov. For specific phone number and email contacts, see our [Contact Us](#) page.

Call us at **1 800 732-8866** or **217 782-3336**.

Call our TDD (telecommunications device for the deaf) at **1 800 544-5304**.

Write us at Illinois Department of Revenue, PO Box 19001, Springfield, IL 62794-9001.

Call our 24-hour Forms Order Line at **1 800 356-6302**.