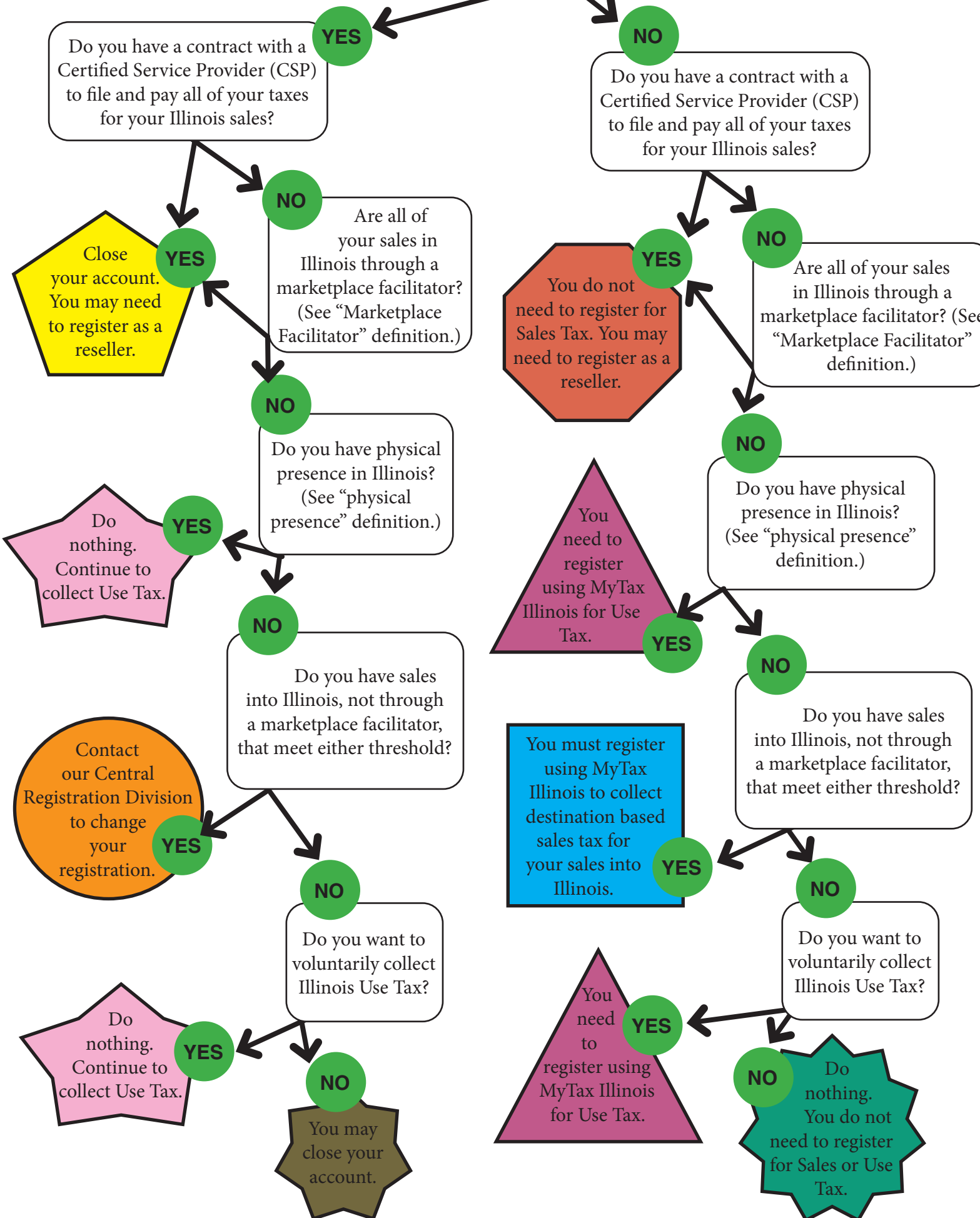


Remote (Out-of-State) Retailers Registration Flowchart



How do I register to file and pay Sales Tax in Illinois if I am a Remote Retailer?

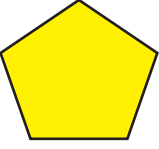
Are you currently registered in Illinois to collect Use Tax on your sales into Illinois?



Remote (Out-of-State) Retailers Registration Flowchart

This flowchart was designed to help out-of-state (remote) retailers who are making sales into Illinois determine how they should register with the Illinois Department of Revenue. For help in determining which tax to collect, see the [Leveling the Playing Field Retailer Flowchart](#).

KEY

Landing Symbol	Do This Action
	<p>Since all your sales are through a marketplace facilitator or you are using a CSP, you do not need to register for your own ST-1 account. Using MyTax Illinois, select the account you want to close, then select "Request to Close Account."</p> <p>You want to register for a wholesale account (reseller). This would allow you to continue to purchase inventory tax-exempt from Illinois retailers since the marketplace facilitator is collecting destination-based tax sales on the final sale to the customer. Using MyTax Illinois, select the Registration tab, then register for a new account indicating your activity is general merchandise, wholesale in the business activities section.</p>
	<p>Since you have sales that meet one of the thresholds, you must collect destination-based sales tax for your sales into Illinois. Please contact Central Registration at 217-785-3707 or REV.Centreg@illinois.gov for assistance in changing your registration from Use Tax to destination-based sales tax.</p>
	<p>You need no changes to your existing registration. Continue to collect Illinois Use Tax.</p>
	<p>Since you do not meet either threshold nor have physical presence in Illinois, you can close your existing account. Close your account using MyTax Illinois by selecting the account you wish to close and then selecting "Request to Close Account."</p>
	<p>Since all your sales are through a marketplace facilitator or you are using a CSP, you do not need to register for your own ST-1 account. You may want to register for a wholesale (reseller) account. This would allow you to purchase inventory tax-exempt from Illinois Retailers since the marketplace facilitator is collecting destination-based tax sales on the final sale to the customer. Using MyTax Illinois, you will register a new account indicating general merchandise, wholesale in the business activities section.</p>
	<p>If you make sales outside of your marketplace facilitator and meet either of the thresholds, you need to register as a new business with an ST-1 account. You will indicate General Merchandise, retail, and out-of-state in the business activities section and check which threshold (or both) that you meet. This will prompt you for at least one changing locations in which you expect to make sales (ex. Chicago).</p>
	<p>Although not obligated, you may collect Illinois Use Tax voluntarily as a courtesy to your customers who would otherwise have to self-assess and pay the Use Tax themselves. You can use MyTax Illinois, register as a new business and for an ST-1 account indicating general merchandise, retail, and out-of-state in the business activities section.</p>
	<p>No action is required.</p>



Definitions for Remote Retailers

Remote retailer - An out-of-state retailer, who does not have a physical presence in Illinois, that sells tangible personal property to Illinois purchasers. A remote retailer who meets either of the thresholds is considered an Illinois retailer and is liable for all applicable state and local sales tax administered by Illinois Department of Revenue (IDOR) on all retail sales to Illinois purchasers.

Physical presence - Maintains within Illinois, directly or by a subsidiary, an office, distribution house, sales house, warehouse or other place of business, or any agent or other representative operating within Illinois under the authority of the retailer or its subsidiary. See [35 ILCS 105/2](#) for more information.

Thresholds - A remote retailer selling tangible personal property at retail in Illinois is subject to state and local sales tax if either of the following thresholds is met:

1. the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois are \$100,000 or more; or
2. the remote retailer enters into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

Reseller (wholesaler) - Any person engaged in the business of selling tangible personal property to another person other than for use or consumption. In other words, you are purchasing tangible personal property tax-exempt and someone else is going to collect the tax at the point of sale.

Voluntary Use Tax Collector - Although not required, a remote retailer who does not meet either threshold may collect Illinois Use Tax as a courtesy to its customers. Illinois purchasers incur an Illinois Use Tax liability on out-of-state purchases that do not have Illinois Tax collected and remitted by the seller.

Sale at retail - Any transfer of the ownership, for a valuable consideration, of tangible personal property to a purchaser (end-user) who will use or consume the tangible personal property.

Sales Tax (Retailers' Occupation Tax [ROT]) - A tax imposed on retailers selling tangible personal property to purchasers in Illinois. It includes the taxes levied under the Retailers' Occupation Tax Act ([35 ILCS 120](#)) and all applicable local retailers' occupation taxes collected by IDOR. See the [Leveling the Playing Field Retailer Flowchart](#) to see which tax you are to collect. There is no authority for remote retailers to voluntarily collect sales tax.

Destination-based sales tax - The tax 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-based sales tax applies to sales by remote retailers who meet either threshold.

Use Tax - A tax imposed upon the privilege of using in Illinois tangible personal property purchased at retail from a retailer. Use Tax is **not** a destination-based tax. It is flat rate throughout the state of 6.25% for general merchandise and 1% for qualifying food, drugs and medical appliances. See the [Leveling the Playing Field Retailer Flowchart](#) to see which tax you are to collect.

Certified Service Provider (CSP) - An agent certified by IDOR to collect and remit the remote retailer's tax. The CSP must have a contract with the remote retailer to provide these services.

Marketplace Seller - A person that makes sales through a marketplace operated by a marketplace facilitator. A marketplace seller will have an agreement with the marketplace facilitator for the marketplace facilitator to collect and remit Illinois taxes.

Marketplace Facilitator - A person who has an agreement with a marketplace seller and facilitates a retail sale by a marketplace seller through:

1. listing or advertising for sale by the marketplace seller in a marketplace, tangible personal property that is subject to tax under the Retailers' Occupation Tax Act; and
2. either directly or indirectly, collecting payment for the tangible personal property from the customer and transmitting that payment to the marketplace seller.

When a marketplace facilitator meets a tax remittance threshold, the marketplace facilitator is required to collect and remit state and local retailers' occupation tax to IDOR. References to "Marketplace Facilitator" in the flowchart assume the "Marketplace Facilitator" is meeting a threshold and therefore, collecting and remitting taxes to IDOR.



Definitions for Marketplace Facilitators

Marketplace Facilitator - A person who has an agreement with a marketplace seller and facilitates a retail sale by a marketplace seller through:

1. listing or advertising for sale by the marketplace seller in a marketplace, tangible personal property that is subject to tax under the Retailers' Occupation Tax Act; and
2. either directly or indirectly, collecting payment for the tangible personal property from the customer and transmitting that payment to the marketplace seller regardless of whether the marketplace facilitator receives compensation or other consideration in exchange for its services.

When a marketplace facilitator meets a tax remittance threshold, the marketplace facilitator is required to collect and remit state and local retailers' occupation tax to IDOR. References to "Marketplace Facilitator" in the flowchart assume the "Marketplace Facilitator" is meeting a threshold and therefore, collecting and remitting taxes to IDOR.

Thresholds - A marketplace facilitator selling tangible personal property at retail in Illinois is subject to Illinois sales tax if either of the following thresholds is met:

1. the cumulative gross receipts from sales of tangible personal property to purchasers in Illinois made through the marketplace by the marketplace facilitator and by marketplace sellers are \$100,000 or more; or
2. the marketplace facilitator and marketplace sellers selling through the marketplace cumulatively enter into 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

Certified Service Provider (CSP) - An agent certified by IDOR to collect and remit tax. The CSP must have a contract with the marketplace facilitator to provide these services.

Marketplace seller - A person that makes sales through a marketplace operated by a marketplace facilitator. A marketplace seller will have an agreement with the marketplace facilitator for the marketplace facilitator to collect and remit Illinois taxes.

Sale at retail - Any transfer of the ownership, for a valuable consideration, of tangible personal property to a purchaser (end-user) who will use or consume the tangible personal property.

Sales tax (Retailers' Occupation Tax [ROT]) - A tax imposed on retailers selling tangible personal property to purchasers in Illinois. It includes the taxes levied under the Retailers' Occupation Tax Act ([35 ILCS 120](#)) and all applicable local retailers' occupation taxes collected by IDOR. There is no authority for marketplace facilitators to voluntarily collect sales tax.

Destination-based sales tax - The tax 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.

Sales made on behalf of a marketplace seller are destination-based sales. A marketplace facilitator's own sales are destination-based sales unless the inventory is located in Illinois.

Origin-based sales tax - The tax rate in effect at the location

- of Illinois inventory from which a sale is fulfilled or
- where selling activities occur (e.g., brick and mortar store in Illinois or your home office in Illinois).

A marketplace facilitator's own sales from Illinois inventory are origin-based sales.



Definitions for Illinois Retailers

In-state (Illinois) retailer - A person that sells tangible personal property to purchasers and has a physical location in Illinois.

Reseller (wholesaler) - Any person engaged in the business of selling tangible personal property to another person other than for use or consumption. In other words, you are purchasing tangible personal property tax-exempt and someone else is going to collect any applicable tax at the point of sale.

Sale at retail - Any transfer of the ownership, for a valuable consideration, of tangible personal property to a purchaser (end-user) who will use or consume the tangible personal property.

Sales tax (Retailers' Occupation Tax [ROT]) - A tax imposed on retailers selling tangible personal property to purchasers in Illinois. It includes the taxes levied under the Retailers' Occupation Tax Act ([35 ILCS 120](#)) and all applicable local retailers' occupation taxes collected by the Illinois Department of Revenue (IDOR).

Destination-based sales tax - The tax 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-based sales tax applies to sales by remote retailers who meet either threshold and marketplace facilitator sales of non-Illinois inventory.

Origin-based sales tax - The tax rate in effect at the location

- of Illinois inventory from which a sale is fulfilled or
- where selling activities occur (e.g., brick and mortar store in Illinois or your home office in Illinois).

Origin-based sales tax applies to sales by Illinois retailers and all sales from Illinois inventory.

Interstate commerce - A sale made by an Illinois business when the property is shipped or delivered to a location outside Illinois and is not returned to Illinois for use. On your Form ST-1, these sales are included in your total receipts and as a deduction on Schedule A as Interstate Commerce.

Marketplace Seller - A person that makes sales through a marketplace operated by a marketplace facilitator. A marketplace seller will have an agreement with the marketplace facilitator for the marketplace facilitator to collect and remit Illinois taxes.

Marketplace Facilitator - A person who has an agreement with a marketplace seller and facilitates a retail sale by a marketplace seller through:

1. listing or advertising for sale by the marketplace seller in a marketplace, tangible personal property that is subject to tax under the Retailers' Occupation Tax Act; and
2. either directly or indirectly, collecting payment for the tangible personal property from the customer and transmitting that payment to the marketplace seller.

When a marketplace facilitator meets a tax remittance threshold, the marketplace facilitator is required to collect and remit state and local retailers' occupation tax to IDOR. References to "Marketplace Facilitator" in the flowchart assume the "Marketplace Facilitator" is meeting a threshold and therefore, collecting and remitting taxes to IDOR.

Certified Service Provider (CSP) - An agent certified by IDOR to collect and remit sales tax. The CSP must have a contract with the Illinois retailer to provide these services.