

Sales/Use/Indirect:

Illinois DOR Explains Remote Seller Economic Nexus and Applying Trailing Nexus on Rolling Quarterly Basis

General Information Letter ST-24-0014-GIL, Ill. Dept. of Rev. (3/27/24). Responding to a question about Illinois' stance on economic nexus for an out-of-state remote seller and "trailing nexus," the Illinois Department of Revenue (Department) issued a general information letter stating that if a remote retailer is no longer required to remit Illinois state and local retailers' occupation taxes under applicable state law, it must redetermine, on a rolling quarterly basis, whether it is obligated to once more begin remitting state and local retailers' occupation taxes. Specifically, 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 twelve-month period to determine whether it met either of the tax remittance thresholds under 86 Ill. Adm. Code 131.115(a)(1) – that is, either:

URL:
<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/st/documents/2024/ST24-0014-GIL.pdf>

1. Cumulative gross receipts from sales of tangible personal property to purchasers in Illinois of \$100,000 or more; or
2. 200 or more separate transactions from the sale of tangible personal property to purchasers in Illinois in the immediately preceding four quarters.

If either threshold is met during that twelve-month lookback period, the Department explains that the seller must remit state and local retailers' occupation taxes for the following twelve-month period. At the end of that twelve-month period, "it must examine its sales to determine if it must continue to remit tax." Please contact us with any questions.

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