

Sales/Use/Indirect:

Illinois: Administrative Bulletin Summarizes New Law Addressing Retailers with In-State Physical Presence and Sourcing

Informational Bulletin FY 2025-10, Ill. Dept. of Rev. (11/24). A newly posted Illinois Department of Revenue informational bulletin summarizes and explains recently enacted Illinois Retailers' Occupation Tax (ROT) legislation [see S.B. 3362, signed by gov. 8/9/24, and *State Tax Matters*, Issue 2024-33, for more details on this new law] that, starting on January 1, 2025, generally requires retailers with a physical presence in Illinois, but that source sales out-of-state and fulfill those sales from inventory located out-of-state, to collect and remit ROT based on destination. Specifically, the bulletin explains that effective January 1, 2025, retailers previously obligated to collect and remit Illinois use tax on retail sales sourced outside of Illinois and made to Illinois customers are now subject to "destination-based" ROT, affecting "retailers with any kind of physical presence in Illinois who make sales that are sourced outside of this State to Illinois customers." Please contact us with any questions.

URL: <https://tax.illinois.gov/content/dam/soi/en/web/tax/research/publications/bulletins/documents/2025/fy-2025-10.pdf>

URL: <https://www.ilga.gov/legislation/billstatus.asp?DocNum=3362&GAID=17&GA=103&DocTypeID=SB&LegID=152856&SessionID=112>

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240816_9.html

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