

## Income/Franchise:

### Illinois DOR Addresses Sourcing Sales of TPP and Destination of Products to Third-Party Warehouses or Distribution Locations

*General Information Letter IT 24-0008-GIL*, Ill. Dept. of Rev. (9/17/24). Responding to a company's inquiry on sourcing its sales of tangible personal property and the destination of products to a third-party warehouse or distribution location for Illinois corporate income tax purposes, the Illinois Department of Revenue (Department) concluded that based on the provided facts, products it delivered to third-party distributor locations or storerooms located within Illinois are considered sales that terminate in Illinois for sourcing purposes and therefore must be included in the numerator of the company's Illinois sales factor. In these situations, the third-party distributors are responsible for the shipment and/or sale of the products to their own customers and/or to warehouses owned by those third-party distributors or their affiliates, and the company "will not know the subsequent destination" of the products beyond the inventory and/or shipment information provided at a future date by a third-party data service company. Similarly, under these same facts, the Department explained that the products that are delivered to third-party distributor locations or storerooms located outside Illinois are considered sales that terminate outside of Illinois and would *not* be sourced to Illinois regardless of whether the third-party distributor subsequently moves the goods to locations within Illinois. Please contact us with any questions.

**URL:**  
<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/it/documents/2024/IT24-0008-GIL.pdf>

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