

## Sales/Use/Indirect:

### Illinois: Bulletin Addresses Taxation of Certain Receipts from Leases and Rentals of TPP Beginning January 1

*Informational Bulletin FY 2025-15*, Ill. Dept. of Rev. (12/24). A new Illinois Department of Revenue (Department) information bulletin addresses recently enacted legislation [see H.B. 4951, signed by gov. 6/7/24, and previously issued Multistate Tax Alert for more details on this new law] that generally imposes Illinois sales and use tax upon certain leases of tangible personal property entered into or renewed on or after January 1, 2025. Specifically, the bulletin notes that effective January 1, 2025, if a business leases or rents tangible personal property in the ordinary course of its business, it is considered a retailer subject to Illinois' sales and use tax laws and must register with the Department and pay tax on its lease and rental receipts. Among the topics addressed in the bulletin are:

**URL:** <https://tax.illinois.gov/content/dam/soi/en/web/tax/research/publications/bulletins/documents/2025/fy-2025-15.pdf>

**URL:** <https://www.ilga.gov/legislation/BillStatus.asp?DocNum=4951&GAID=17&DocTypeID=HB&LegId=152864&SessionID=112&GA=103>

**URL:** <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-illinois-fiscal-year-2025-state-budget-tax-highlights.pdf>

1. What constitutes a lease;
2. Which receipts from a lease or rental transaction are subject to tax;
3. Whether leases and rentals of computer software are subject to tax; and
4. Whether existing contracts for lease or rental entered into prior to January 1, 2025 are subject to tax.

Please contact us with any questions.

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