

Sales/Use/Indirect:

Illinois: Letter Rulings Address Taxation of Certain Receipts from Leases and Rentals of TPP as of January 1

General Information Letter ST 24-0040-GIL, Ill. Dept. of Rev. (12/6/2024); *General Information Letter ST 24-0043-GIL*, Ill. Dept. of Rev. (12/13/24); *General Information Letter ST 24-0045-GIL*, Ill. Dept. of Rev. (12/19/24); *General Information Letter ST 24-0046-GIL*, Ill. Dept. of Rev. (12/27/24). Some recently posted Illinois Department of Revenue (Department) general information letters reflect legislation enacted in 2024 [see H.B. 4951 (2024) [Public Act 103-592], 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 letters reflect how effective January 1, 2025, persons engaged in the business of leasing tangible personal property at retail in Illinois are subject to state and local retailers' occupation tax on the gross receipts from leases of tangible personal property made in the course of business. A couple of the rulings also reflect how gross receipts from the lease of property that is subject to "Chicago's Personal Property Lease Transaction Tax" are exempt from state and Department-administered local retailers' occupation taxes; and "if the lease of this property would, but for this exemption, be subject to the tax on leases implemented by Article 75 of Public Act 103-592, then a sale to the lessor of this tangible personal property, for the purpose of leasing that property, shall be made State and local retailers' occupation tax-free as a sale for resale." Please contact us with any questions.

URL:

<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/st/documents/2024/ST24-0040-GIL.pdf>

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<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/st/documents/2024/ST24-0043-GIL.pdf>

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<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/st/documents/2024/ST24-0046-GIL.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>

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