

Sales/Use/Indirect:

Illinois: Letter Ruling Addresses Tax Implications of Credit Card Fees for Retailers

General Information Letter ST 24-0042-GIL, Ill. Dept. of Rev. (12/11/24). A recently posted Illinois Department of Revenue general information letter explains that various costs of doing business – for example, service charges or fees charged by a credit or debit card company for retailers that choose to accept payment from a customer using a credit or debit card where the retailer does not receive the full amount of payment due to such imposed fees – are considered an element of the retailer's gross receipts subject to Illinois retailers' occupation tax (ROT) even if separately stated on the customer's bill. Accordingly, merchants must include credit/debit card company processing fees in their gross receipts when determining their ROT liability. Please contact us with any questions.

URL:
<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/lett rulings/st/documents/2024/ST24-0042-GIL.pdf>

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