

## Sales/Use/Indirect:

### Illinois: New Rule Reflects How Direct Pay Permit Holders Must Now Annually Verify Sourcing or Else Face Penalties

*New 86 Ill. Adm. Code 130.2532*, Ill. Dept. of Rev. (eff. 4/1/25). The Illinois Department of Revenue adopted a new rule reflecting legislation enacted in 2024 [see S.B. 3282 (2024), and *State Tax Matters*, Issue 2024-33, for more details on this new law] that requires each holder of an Illinois “Direct Pay Permit” to annually review its purchase activity and verify that the purchases made in the preceding twelve-month period were sourced correctly and the correct tax rate was applied, or else face a potential \$6,000 penalty for failing to comply with the new law’s annual reporting requirements. The new rule implements the 2024 legislation by providing guidance, including examples, regarding the annual review process for Direct Pay Permit holders, the filing of amended returns, and potential \$6,000 penalty for noncompliance. Please contact us with any questions.

**URL:** [https://www.ilsos.gov/departments/index/register/volume49/register\\_volume49\\_16.pdf](https://www.ilsos.gov/departments/index/register/volume49/register_volume49_16.pdf)

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