

Sales/Use/Indirect:

Illinois: General Information Letter Concludes that Company Providing Online Ad Services is Not a Marketplace Facilitator

General Information Letter ST 25-0027-GIL, Ill. Dept. of Rev. (4/28/25). Responding to an inquiry submitted by a company owning and operating online-accessible technology platforms via websites and downloadable applications (“apps”) that offers its business clients (“advertisers”) several online advertising services for their various products, an Illinois Department of Revenue (Department) general information letter generally concludes that the company is *not* considered a “marketplace facilitator” under Illinois’ sales and use tax law in offering these services. In doing so, the Department explains that if a customer is redirected from an advertiser’s platform to a retailer’s website where payment occurs without any further participation by the advertiser, such advertiser is not acting as a marketplace facilitator. Moreover, in situations where a platform provides advertising only and all payments for tangible personal property are made either directly to the retailer or to a third-party with whom the retailer has contracted, the advertising platform is not acting as a marketplace facilitator. The Department also clarifies that under Illinois law, “marketplace facilitators” must either directly collect payment from customers and transfer payment to sellers or indirectly, through agreements the marketplace facilitator has made with third parties, collect payment from customers and transmit payment to sellers. Please contact us with any questions.

URL:
<https://tax.illinois.gov/content/dam/soi/en/web/tax/research/legalinformation/letterrulings/st/documents/2025/st25-0027-gil.pdf>

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