

Sales/Use/Indirect:

Illinois DOR Answers Questions Involving Marketplace Facilitator Nexus and Responsibilities

General Information Letter ST-22-0020-GIL, Ill. Dept. of Rev. (8/31/22). Responding to an annual survey request from a third-party research firm, the Illinois Department of Revenue (Department) explains that in applying Illinois' economic nexus threshold tests, the cumulative gross receipts and transactions from sales of tangible personal property to purchasers in Illinois made through the marketplace by *both* the marketplace facilitator and marketplace seller are used to determine whether a marketplace facilitator has met a threshold. Furthermore, the Department explains that although a marketplace seller may make all its sales through a marketplace facilitator that meets an Illinois nexus threshold test, registration still may be required as the rules established for marketplace facilitators and marketplace sellers apply only to the remittance of state and local Retailers' Occupation Tax, and marketplace sellers that incur liability for other taxes or fees administered by the Department on sales through a marketplace facilitator remain liable for the remittance of those taxes to the Department.

URL: <https://www2.illinois.gov/rev/research/legalinformation/lettterulings/st/Documents/2022/ST22-0020-GIL.pdf>

In the case of marketplace sellers incurring additional taxes for tangible personal property sold over a marketplace other than Illinois state and local Retailers' Occupation Tax, the Department encourages such sellers to work with their marketplace facilitators to "make arrangements allowing the marketplace facilitator to collect these taxes and remit them to the marketplace seller, along with the gross receipts from the sale, so that the marketplace seller can then remit the taxes to the Department." Additionally, the Department notes that for purposes of determining the applicable Illinois local sales tax rate, food delivery services that are marketplace facilitators and have met an Illinois tax remittance threshold "are considered to be engaged in the business of selling at the Illinois location to which the food is shipped or delivered." Please contact us with any questions.

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