



informational Bulletin

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Retailers' Occupation Tax Guidance for Out-of-State Retailers and Certain Illinois Retailers, Effective January 1, 2025

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

For information
Visit our website at:
tax.illinois.gov



Call us at:
1 800 732-8866 or
217 782-3336
1 800 544-5304 TTY

Email us at:
REV.TA-Sales@illinois.gov

To: Retailers filing Form ST-1, Sales and Use Tax and E911 Surcharge Return

Effective **January 1, 2025**, retailers previously obligated to collect and remit Illinois Use Tax (UT) on retail sales sourced outside of Illinois and made to Illinois customers are now subject to **destination-based retailers' occupation tax (ROT)**.

This change affects retailers with any kind of physical presence in Illinois who make sales that are sourced outside of this State¹ to Illinois customers.

(See 35 ILCS 120/1, 120/2, 120/2-12, and **Public Act 103-983**.)

What is destination-based retailers' occupation tax (ROT)?

"Destination-based ROT" means the total State and local ROT rate calculated for a sale using the rate in effect at the Illinois location to which the item sold (tangible personal property) is shipped or delivered, or at which possession is taken by the purchaser. For information about how to determine where a retail sale is sourced, see [86 Ill. Adm. Code 270.115](#).

Does this change affect my registration?

Yes. For destination-based sales, retailers must register a tax site for each jurisdiction (*i.e.*, city or county) where it has made a sale or plans to make sales. See below and Page 2 for additional information.

- **Out-of-State² retailers** — IDOR will change your registration status from UT to ROT, if applicable. You are responsible for registering new tax sites to your account after December 23, 2024.
- **Illinois retailers** — You should already be registered to remit ROT. If you are currently registered for ROT, your registration status will not be changed. You are responsible for registering new tax sites to your account for any sales sourced outside of Illinois.

¹ As used in this document, "State" refers to the State of Illinois.

² As used in this document, "out-of-State" refers to outside of the State of Illinois.

If you are a retailer as described above and all of your sales are made through a marketplace facilitator that has met a tax remittance threshold (see [86 Ill. Adm. Code 131.135](#)), you may close your Sales Tax account with IDOR. Marketplace facilitators must ensure they collect and remit the proper ROT for sales on behalf of the retailers identified above. [Form CRT-63, Sales Through Marketplace Facilitator Certificate](#), available on our website at [tax.illinois.gov](#), provides proof that the marketplace facilitator will collect and remit the taxes indicated on the certificate to IDOR for sales made on behalf of the marketplace seller over its marketplace.

What action must I take as a retailer?

For sales on and after January 1, 2025, retailers as identified above must:

- determine the correct State and local tax amounts to remit based on the taxing location to which the tangible personal property is shipped or delivered, or at which possession is taken by the purchaser,
- register any new changing location tax site to their account **before** filing the January 2025 return (due February 20, 2025), or the return for the period in which the sale took place,
- properly report destination-based sales on Form ST-1, Sales and Use Tax and E911 Surcharge Return, on Lines 4a and 5a, and
- complete Form ST-2, Multiple Site Form, to report destination-based sales by changing location tax site.

Failure to properly report the correct taxing location will result in misallocation of revenue to the appropriate local governments. Retailers who incorrectly report taxing locations may be billed for additional tax at the proper rate, late payment penalties, and interest associated with the tax.

How can I add tax sites to my account?

MyTax Illinois, available at [mytax.illinois.gov](#), allows users to add or remove sites using the Maintain Locations link in your Sales and Use Tax (ST-1) account. You must register any new sites prior to filing the return that includes sales made to that location. Use the "Changing Location" tab in MyTax Illinois to register these sites. You can also contact IDOR by calling **217 785-3707** or emailing rev.crd@illinois.gov if you need assistance with adding locations.

If you do not have a MyTax Illinois logon, visit [mytax.illinois.gov](#) and click "Sign Up," located at the bottom of the log in box.

Where can I find the proper tax rate I should be charging on my sales tax return?

Use the "Search by Address" function on the [Tax Rate Finder in MyTax Illinois](#), available at [mytax.illinois.gov](#), to look up destination-based sales tax rates for individual locations. If you need to obtain machine readable tax rate files, see the [Sales Tax Rate Machine Readable Files - Address Specific page](#), available on our website at [tax.illinois.gov](#).

Will this change how I complete Form ST-1?

Any sales previously reported on Lines 6a and 7a on Form ST-1 should be reported on Lines 4a and 5a. You should monitor your sales to identify any new taxing locations that must be added to your account prior to filing the return for the reporting period, and report the sales for all tax sites on Forms ST-2.

You should continue to file Form ST-1 monthly, quarterly, or annually as instructed by IDOR based on your average monthly liability. In addition, you must file your return by the required due date even if you do not have gross receipts for a reporting period. IDOR reviews accounts annually and will notify you if your filing status changes.

Where can I find additional resources?

For retailer filing and registration requirements, visit the webpages below, available at [tax.illinois.gov](#):

- [Sales & Use Taxes](#)
- [Business Registration](#)
- [Destination-Based Sales Tax Assistance](#)