

This letter is a response to a survey regarding drop shipments. For information regarding drop shipments, see the Department's regulation entitled "Drop Shipments," found at 86 Ill. Adm. Code 130.225. (This is a GIL).

April 17, 2008

Dear Xxxxx:

This letter is in response to your letter dated January 3, 2008, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Your office was contacted in 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 to assist the ABC in its publication. Forty-five states and the District of Columbia were each asked to respond to the 10 survey questions relating to third-party drop shipment transactions. All jurisdictions responded, and the results were compiled and published in 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006. Your office was sent a copy of each of the publications. An additional 2006 copy is enclosed for your reference.

We have had continuing favorable reaction to this publication, so much so that the ABC is going to completely reprint the survey for 2008 which will be the Ninth Edition. Over 900 copies of the 2006 survey were ordered by the majority of the Fortune 1000 corporations and the reaction to this monographic study has been overwhelmingly favorable with many requests for a complete update that would reflect statute and administrative changes in the various states since the Eighth Edition was released in July 2006.

Therefore, we are contacting all of the 46 taxing jurisdictions that responded in 2006 to the questionnaire that appears on pages ii-iii of the PUBLICATION and are asking each of them to review their responses related thereto and to respond anew to each of the 10 questions.

We would be most appreciative if you would take the time to respond to the ten questions and furnish any updated respondent address information that is appropriate (**please include an e-mail address, if you wish**). When all of the states and the District of Columbia have replied, the information will be republished in a new booklet and you will be sent, of course, a courtesy copy. Please direct your replies to my attention at the following address where the compilation will take place (or via email.)

A reply by you no later than March 21, 2008, would be most gracious on your part given the time schedule that we have allowed for information gathering and printing of this new 2008 survey. If you have any questions, do give me a call.

DEPARTMENT REPONSE

The Department cannot approve publications other than those issued by the Department of Revenue. However, the information previously provided by the Department of Revenue and published in the Eighth Edition of your publication generally remains correct. For further information, we would like to direct readers' attention to the Department's regulation entitled "Drop Shipments," found at 86 Ill. Adm. Code 130.225, which explains in greater detail the Department's position on the acceptance of Certificates of Resale by sellers from out-of-State purchasers.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Debra M. Boggess
Associate Counsel

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