

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.1970 Hatcheries

**TITLE 86: REVENUE
PART 130
RETAILERS' OCCUPATION TAX**

Section 130.1970 Hatcheries

- a) When Liable For Tax
 - 1) Sales of baby chicks which are purchased for the buyer's consumption, and which are consumed by such buyer or lost and not subsequently resold on the market, constitute retail sales, the receipts from which are subject to the Retailers' Occupation Tax.
 - 2) Hatcherymen also incur Retailers' Occupation Tax liability when they sell brooders, water troughs and other poultry-raising equipment to purchasers for use or consumption unless such sale is exempt by virtue of 86 Ill. Adm. Code 130.305 Farm Machinery and Equipment.
- b) When Not Liable For Tax
 - 1) Baby chicks which are purchased by the buyer for resale on the market as poultry and which are not consumed by such buyer, or which are purchased by the buyer for the production of eggs for sale, are deemed to be sold for resale by the hatcheryman, notwithstanding the fact that some of the chicks so purchased may die before they are resold. The hatcheryman is not liable for tax with respect to his receipts from such sales of chicks for resale.
 - 2) Also, persons engaged in the business of operating incubators or hatcheries, who hatch baby chicks for other persons from eggs belonging to such persons (custom hatching), are deemed to render service with respect to such transactions, and they are not required to remit Retailers' Occupation Tax measured by their gross receipts from their rendering of such service.
- c) Records of Sales of Baby Chicks

If a seller of baby chicks has adequate records to establish which of his sales of baby chicks are at retail and which of such sales are for resale, such records will control.

(Source: Amended at 15 Ill. Reg. 6621, effective April 17, 1991)