

Before a vehicle can be titled in Illinois, the Use Tax must be paid. See 86 Ill. Adm. Code 150.310 and 150.315. (This is a GIL.)

December 15, 1998

Dear Mr. Xxxxx:

This letter is in response to your letter dated October 28, 1998. The nature of your letter and the information you have provided require that we respond with a General Information Letter which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

This purpose of this letter is to request a legal opinion from your office, concerning the tax exempt status of a vehicle owner who resides in another state other than Illinois, but chooses to title in Illinois, using either the lienholder's Illinois address or the leasing company's Illinois address.

Although this practice has occurred for years and thousands (more probably, millions) of titles have been processed as such, there seems to be no place that this procedure is documented as an acceptable practice or not.

Your earliest response to this question will be greatly appreciated. Should you need any other information in making this response, please feel free to contact me at the above number to discuss further.

Thank you!

Before a vehicle can be titled in Illinois, the Use Tax must be paid. If the vehicle is not purchased from an Illinois dealer and is subsequently titled in Illinois and is taxable (see the enclosed copies of 86 Ill. Adm. Code 150.310 and 150.315.), the Use Tax must be paid by the purchaser. If a nonresident individual moves to Illinois from another state, where he has purchased a vehicle, he can claim an exemption from tax as long as he has used the automobile outside Illinois for at least 3 months before bringing it into Illinois. See Section 150.315.

I hope this information is helpful. The Department of Revenue maintains a Web site which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.