

ST 26-0021-GIL 06/03/2026 FARM MACHINERY & EQUIPMENT

Real estate improvements and ordinary building equipment to be permanently affixed to real estate do not qualify for the farm machinery and equipment exemption from Illinois sales tax. See 86 Ill. Adm. Code 130.305. (This is a GIL).

June 3, 2026

NAME
COMPANY
ADDRESS
EMAIL

Dear NAME:

This letter is in response to your letter dated April 28, 2026, in which you requested 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 <https://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.

INQUIRY:

I am writing to request a General Information Letter on the manufactured items below and whether they would qualify for the agricultural tax exemption from sales tax.

Company Information:

COMPANY
ADDRESS
Phone: PHONE Fax: FAX

June 3, 2026

Federal ID: XX-XXXXXXX

Illinois Tax Identification Number: XXXX-XXXX

We are a manufacture in CITY, STATE and I am inquiring about whether two of our products, that we produce and sell, qualify for the agriculture exemption for farmers.

The items we are selling are a livestock shade system. One system is a permanent shade system, and the other shade system is a mobile unit. If you look at our web site link you can see the details of each product. I have also included our product flyer to refer to.

WEBPAGE

Both products are used for livestock to help keep them cool in the hot days of summer. I do not see any clear clarification for this type of product to determine whether I can accept the agriculture exemption under title 86 section 130.305 for these products which is directly used in the raising and care of livestock.

I received a General Information Letter back in 2018 and I would like to have it reviewed again to ensure that this is still the correct with the current tax law. I have attached a copy for you to refer to.

Thank you for your time

DEPARTMENT'S RESPONSE:

The Illinois statutes and rules governing the farm machinery and equipment exemption's application to livestock shade systems are the same as they were at the time of your 2018 General Information Letter. Although livestock shade systems are not directly referenced in 86 Ill. Adm. Code 130.305, the exclusion of improvements to real estate from qualifying machinery and of ordinary building materials to be permanently affixed to real estate from qualifying equipment covers a wide array of structures and improvements. Illustrative examples of excluded structures and improvements include fences, barns, roads, grain bins, silos, and confinement buildings. See 86 Ill. Adm. Code 130.305(c)(6)(A). Equipment made from ordinary building materials generally does not qualify for the exemption, aside from some exceptions for pieces of equipment that are installed on other pieces of realty, such as farrowing crates, gestation stalls, poultry cages, portable panels for confinement facilities, and flooring used in conjunction with waste disposal machinery.

COMPANY/NAME

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See 86 Ill. Adm. Code (c)(7)(A). Despite some of your shade systems being portable, both the permanent and portable systems are made from ordinary building materials and are very similar to real estate improvements. Structures of this type do not qualify for the farm machinery and equipment exemption.

I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department's Taxpayer Information Division at 800-732-8866.

Very truly yours,

Edward Mroczkowski
Associate Counsel
(217) 782-7055

EM:slc