



informational

Bulletin

David Harris, Director

Update to the Taxation of Sales by Auctioneers and Internet Auction Listing Services to Illinois Purchasers

To: Auctioneers and Internet auction listing services making sales to Illinois purchasers

This bulletin supersedes [FY 2021-05, Changes to the taxation of sales by auctioneers to Illinois purchasers](#).

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

Effective August 27, 2021, [Public Act 102-0634](#) refined the definition of marketplace facilitator to no longer include any person licensed under the Auction License Act ([225 ILCS 407/5 et seq.](#)). However, Internet auction listing services, as defined in Section 5-10 of the Auction License Act, are still considered marketplace facilitators.

How does an auctioneer licensed under the Auction License Act determine their Retailers' Occupation Tax responsibility?

Effective August 27, 2021, auctioneers incur Retailers' Occupation Tax at the rate in effect at the location where the selling occurs (origin rate) (see, e.g., [86 Ill. Adm. Code 270.115](#)) and must collect and remit tax following the disclosed/undisclosed rules outlined in [86 Ill. Adm. Code 130.1915](#).

From January 1, 2021, through August 26, 2021, auctioneers should follow the tax collection and remittance requirements on Page 2.

Prior to January 1, 2021, auctioneers incurred Retailers' Occupation Tax at the rate in effect at the location where the selling occurred (origin rate) (see, e.g., [86 Ill. Adm. Code 270.115](#)) and were required to follow the disclosed/undisclosed rules in [86 Ill. Adm. Code 130.1915](#).

How does an Internet auction listing service determine their Retailers' Occupation Tax responsibility?

Effective January 1, 2021, Internet auction listing services should follow the tax collection and remittance requirements on Page 2.

Prior to January 1, 2021, Internet auction listing services incurred Retailers' Occupation Tax at the rate in effect at the location where the selling occurred (origin rate) (see, e.g., [86 Ill. Adm. Code 270.115](#)) and were required to follow the disclosed/undisclosed rules in [86 Ill. Adm. Code 130.1915](#).

For more information, see the [Resource Page for the Leveling the Playing Field for Illinois Retail Act](#).

For information or forms

Visit our website at:
tax.illinois.gov

Register and file your return online at:
mytax.illinois.gov

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

Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304

What is an auctioneer?

An “auctioneer” means a person licensed under the Auction License Act.

What is an Internet auction listing service?

An “Internet auction listing service” means a website on the Internet, or other interactive computer service, that is designed to allow or advertise as a means of allowing users to offer personal property or services for sale or lease to a prospective buyer or lessee through an online bid submission process using that website or interactive computer service and that does not examine, set the price, prepare the description of the personal property or service to be offered, or in any way utilize the services of a natural person as an auctioneer.

What is a marketplace facilitator?

A “marketplace facilitator” is a person* who has an agreement with a marketplace seller and facilitates a retail sale by a marketplace seller through:

- listing or advertising for sale by the marketplace seller in a marketplace, tangible personal property that is subject to tax under the Retailers’ Occupation Tax Act; and
- either directly or indirectly, collecting payment for the tangible personal property from the customer and transmitting that payment to the marketplace seller regardless of whether the marketplace facilitator receives compensation or other consideration in exchange for its service.

When a marketplace facilitator meets a tax remittance threshold, the marketplace facilitator is required to collect and remit state and local retailers’ occupation tax to the Illinois Department of Revenue (IDOR).

The tax remittance thresholds are

- \$100,000 or more in cumulative gross receipts from sales of tangible personal property to purchasers in Illinois; or
- 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

***Effective January 1, 2021, through August 26, 2021,** this includes auctioneers licensed under the Auction License Act and Internet auction listing services. **On and after August 27, 2021,** any person licensed under the Auction License Act is *not* included.

What are the tax collection and remittance requirements?

*In this section, the term auctioneer includes Internet auction listing services as well as auctioneers licensed under the Auction License Act. **On and after August 27, 2021,** this section no longer applies to any person licensed under the Auction License Act, but it does continue to apply to Internet auction listing services.*

If an auctioneer meets a tax remittance threshold and makes a sale on behalf of an identified marketplace seller (e.g., a marketplace seller that is disclosed), the auctioneer will incur Retailers’ Occupation Tax at the rate in effect at the location where the tangible personal property is shipped or delivered or at which possession is taken by the purchaser (destination rate).

If an auctioneer meets a tax remittance threshold and makes a sale on behalf of a marketplace seller not identified to the purchaser on the marketplace (e.g., a marketplace seller that is not disclosed), then, for tax remittance purposes, the auctioneer is considered the seller and is required to file its own return, separate from the return for sales made on behalf of marketplace sellers, and pay taxes to the IDOR on that sale applying the following provisions:

- If the item sold **is not located in Illinois** or the selling does not otherwise occur in Illinois, the auctioneer will incur Retailers’ Occupation Tax at the rate in effect at the location where the tangible personal property is shipped or delivered or at which possession is taken by the purchaser.
- If the item sold **is located in Illinois**, or if the selling otherwise occurs in Illinois for that sale (see, e.g., [86 Ill. Adm. Code 270.115](#)), the auctioneer will incur Retailers’ Occupation Tax at the rate in effect at the Illinois location of the item, or the location in Illinois where the selling otherwise occurs (origin rate).

Where are location specific tax rates found?

Use the [MyTax Illinois Tax Rate Finder](#) to look up location specific tax rates.