**Section 150.1305 Retailers' Books and Records**

a) *Every retailer required or authorized to collect taxes* under the Act *and every person using in this State tangible personal property purchased at retail from a retailer shall keep such records, receipts, invoices and other pertinent books, documents, memoranda and papers as the Department shall require, in such form as the Department shall require. For purposes of* this Section*, "records" means all data maintained by the taxpayer, including data on paper, microfilm, microfiche or any type of machine-sensible data compilation.*

b) *For the purpose of administering and enforcing the provisions hereof, the Department, or any officer or employee of the Department designated, in writing, by the Director thereof, may hold investigations and hearings concerning any matters covered herein and may examine any books, papers, records, documents or memoranda of any retailer or purchaser bearing upon the sales or purchases of tangible personal property, the privilege of using which is taxed* under the Act*, and may require the attendance of such person or any officer or employee of such person, or of any person having knowledge of the facts, and may take testimony and require proof for its information.*

c) *Any person who fails to keep books and records or fails to produce books and records for examination, as required by* this Section*, is liable to pay to the Department, for deposit into the Tax Compliance and Administration Fund, a penalty of $1,000 for the first failure to keep books and records or produce books and records for examination and a penalty of $3,000 for each subsequent failure to keep books and records or produce books and records for examination as required by* this Section*. The penalties imposed under* this Section *shall not apply if the taxpayer shows that* the taxpayer *acted with ordinary business care and prudence.* [35 ILCS 105/11] (See also 86 Ill. Adm. Code 130.801).

d) If a retailer is required or authorized to collect use tax, the retailer's records must show that the retailer collects such tax in accordance with the brackets prescribed in TABLE A of this Part and that the retailer states such tax separately to the purchaser from the selling price of the tangible personal property which the retailer is selling, unless the Department finds that it is not possible, under the facts of the case, for the retailer to collect the tax from the purchaser as a separate item from the selling price.

e) The retailer can prove compliance with the requirement of stating the use tax as a separate item from the selling price by showing the tax separately on invoices or sales tickets that are issued to the retailer's customers, by having the tax shown separately from prices on a copy of the cash register tape, or, in a proper case as explained hereinafter, by publicly posting an appropriate sign. The sign procedure described subsequently in this Regulation may not be relied upon to prove collection of the tax by the retailer from the retailer's customers as a separate item in types of transactions in which such retailer does issue invoices or sales tickets to customers. For this purpose, a credit card receipt is not construed to come within the terms of "invoices" or "sales tickets" as used in this Regulation.

(Source: Amended at 48 Ill. Reg. 6836, effective April 24, 2024)