**Section 160.115 Collection Of The Service Use Tax By Servicemen**

a) Servicemen who incur and remit Service Occupation Tax to the Department; or servicemen who come within the definition of a "Serviceman maintaining a place of business in this State" (as set out in Section 160.105 of this Part and in Section 2 of the Service Use Tax Act) and who have a Service Use Tax collection obligation; or other servicemen who are authorized to voluntarily collect the Service Use Tax, shall collect the tax from users at the time of purchase. The Service Use Tax shall be based on the selling price of the tangible personal property transferred incident to the sale of service if stated separately on the invoice from the serviceman. If not stated separately, then the tax will be imposed on 50% of the entire billing from the serviceman. However, the Service Use Tax which is collected by a de minimis serviceman who incurs Service Occupation Tax on the serviceman's cost price of tangible personal property transferred incident to service, as provided at 86 Ill. Adm. Code 140.109, shall be based upon the serviceman's cost price of tangible personal property transferred incident to the serviceman's sales of service. For purposes of this Part, "cost price" is defined as provided in 86 Ill. Adm. Code 140.201. *When a serviceman contracts to design, develop and produce special order machinery or equipment, the tax imposed by* the Act *shall be based on the serviceman's cost price of the tangible personal property transferred incident to the completion of the contract.* [35 ILCS 110/3d]

b) Although not required unless requested by the service customer, the Service Use Tax may be separately stated as a distinct item on the service bill. [35 ILCS 110/3a]

c) If the serviceman collects the Service Use Tax as a separate item, he shall use the tax collection brackets prescribed in the Use Tax rules (86 Ill. Adm. Code 150.Table A) with respect to the 6.25% rate when it is impracticable to collect exactly 6.25% of the selling or cost price.

d) *Every serviceman maintaining a place of business in this State and making sales of service involving the incidental transfer of property for use in this State (whether those sales are made within or without this State) shall, when collecting the tax as provided in Section 3-40 of* the Act *from the purchaser, give to the purchaser (if demanded by the purchaser) a receipt for the tax in the manner and form prescribed by the Department. The receipt shall be sufficient to relieve the purchaser from further liability for the tax to which the receipt may refer.* [35 ILCS 110/5]

e) *If a serviceman collects Service Use Tax measured by receipts or selling prices that are not subject to Service Use Tax, or if a serviceman, in collecting Service Use Tax measured by receipts or selling prices that are subject to tax under* the Act*, collects more from the purchaser than the required amount of the Service Use Tax on the transaction, the purchaser shall have a legal right to claim a refund of that amount from the serviceman. If, however, that amount is not refunded to the purchaser for any reason, the serviceman is liable to pay that amount to the Department.* [35 ILCS 110/3-40]

f) *Any serviceman required to collect the tax imposed by* the Act *shall be liable to the Department for the tax, whether or not the tax has been collected by the serviceman, except when the serviceman is relieved of the duty of remitting the tax to the Department by virtue of having paid a tax imposed by the Service Occupation Tax Act upon* the serviceman's *sale of service involving the incidental transfer by* the serviceman *of the same property. To the extent that a serviceman required to collect the tax imposed by* the Act *has actually collected that tax, the tax is held in trust for the benefit of the Department.* [35 ILCS 110/8]

(Source: Amended at 48 Ill. Reg. 10710, effective July 2, 2024)