



# This Week in State Tax (TWIST)

June 15, 2026



## Multistate: Illinois and Indiana prepare for upcoming tax amnesty

**Illinois:** The Illinois Remote Retailer Tax Amnesty Program will run from August 1, 2026 through October 31, 2026. The program is open to remote retailers (including marketplace facilitators) with no physical presence in Illinois if they have unpaid sales tax on transactions completed between January 1, 2021 and June 30, 2026. For January 1, 2021 through December 31, 2025, a remote retailer was obligated by law to collect sales tax on taxable products with a destination in Illinois if the retailer had more than \$100,000 in gross receipts (or 200 transactions) during the preceding four calendar quarters. Effective January 1, 2026, the 200-transaction threshold was repealed. Under Illinois law, remote retailers making sales into the Land of Lincoln are required to collect state and local Retailers' Occupation Taxes (ROT) at the rate in effect in the destination locality.

The amnesty applies to the state ROT and all locally imposed ROTs, including the Chicago Soft Drink ROT. Taxpayers participating in the program will be able to pay outstanding liabilities using a simplified return and rate structure. Most sales will be eligible for a single 9 percent rate to cover both state and local ROTs (without itemizing individual locations), and items taxed at the 1 percent state rate (food for home consumption and certain medical and drug items) will be eligible for a single 1.75 percent tax rate covering both state and local ROT. All eligible liabilities paid during the program or an agreed-upon payment plan will also receive a waiver of related penalties and interest. Beginning January 1, 2026, the Department is authorized to assess a 15 percent gross receipts tax on sales for which insufficient information is provided to determine the appropriate local destination, and tax periods that are eligible for amnesty may be subject to assessment of the 15 percent tax if the taxpayer does not participate in amnesty. For further information on the [Remote Retailer Amnesty Program](#), please contact [Drew Olson](#).

**Indiana:** The Indiana tax amnesty will run from July 15, 2026 through September 9, 2026. The amnesty, authorized by the legislature in 2025, will provide relief from all penalties, interest, and collection fees applicable to outstanding liabilities for tax periods ending before January 1, 2024, provided the liability is paid by the end of the amnesty period or under an agreed-upon payment plan established as part of the amnesty. Most taxes administered by the Department of Revenue are included in the amnesty, but taxpayers who participated in the Hoosier's 2005 or 2015 amnesty are not eligible for this amnesty. Liabilities that are currently being protested or appealed may receive the benefits of the amnesty if the amounts are paid during the amnesty, but the taxpayer will be required to waive the right to appeal or protest the liability.

Businesses with outstanding liabilities eligible for amnesty should receive a letter from the Department or a contractor assisting with the amnesty. Information is also available via the Department's INTIME system. Taxpayers who choose not to participate may be subject to additional penalties on the outstanding amounts, but

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the additional penalty will not be applied to amounts currently under protest or appeal should the taxpayer continue to pursue the matter. Please contact [David Perry](#) for questions and further information on the [Indiana tax amnesty](#).

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