



This Week in State Tax (TWIST)

August 10, 2026



Illinois: Remote retailer amnesty underway; runs until Halloween

Illinois is holding its first tax amnesty for remote sellers, running from August 1st through October 31st. The program allows remote sellers who pay their outstanding liabilities for prior periods during the amnesty to receive a waiver of both penalties and interest as well as to benefit from a simplified filing mechanism for the taxes paid during the amnesty. The amnesty is open to taxpayers having unpaid sales tax liabilities for periods between January 1, 2021 and June 30, 2026, who have no physical presence in Illinois, but are selling tangible personal property to customers in the state in amounts sufficient to meet the state nexus threshold. From January 2021 through December 31, 2025, the nexus threshold was \$100,000 in annual gross receipts or 200 separate transactions during the preceding year. From January 1, 2026, forward, the threshold is \$100,000 in annual gross receipts.

Liabilities relating to the Retailers' Occupation Tax (ROT) and locally imposed ROTs administered by the Illinois Department of Revenue are eligible for the program. In addition to having related penalties and interest waived, amnesty participants will be able to pay a simplified, combined state and local ROT rate of 9 percent (or a combined rate of 1.75 percent for certain qualifying items, such as food for home consumption, medicines, drugs, and medical appliances), without being required to separately account for local ROTs or to source the transaction to specific jurisdictions. Taxpayers can register for the Remote Retailer Amnesty Program through the MyTax Illinois online portal.

For questions regarding the [Remote Retailer Amnesty Program](#), please contact [Andrew Olson](#) or [Catherine Lake](#).

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