**Section 500.1545 Taxes, Licenses, Assessments and Royalties**

a) The contractor shall pay all current and applicable city, county, State and federal taxes, licenses or assessments, including federal excise taxes, due on the performance of any contract, including, without limiting the foregoing, those required by the Federal Insurance Contribution Act (26 USC 3101 et seq.), the Federal Unemployment Tax Act (26 USC 3301 et seq.) and the State Unemployment Insurance Act [820 ILCS 405], together with all royalties due for any proprietary items. The contractor is exclusively liable for the payment of taxes to the respective governments. In the event the taxes, licenses, assessments or royalties, or any part thereof, are in the first instance charged to the OAG, the contractor shall, upon timely demand of the OAG, pay the OAG the amount of the tax, license, assessment or royalty due, plus all penalties that may have accrued.

b) The OAG is exempted by Section 3-5 of the Use Tax Act [35 ILCS 105/3-5] from paying any of the taxes imposed by that Act, and sales to the OAG are exempt by Section 2-5(11) of the Retailers' Occupation Tax Act [35 ILCS 120/2-5(11)] from any of the taxes imposed by that Act. The OAG will provide its exemption numbers to vendors in order to receive an exemption from tax when making purchases of tangible personal property. Contractors making purchases from vendors of tangible personal property that will be incorporated into real estate owned by the OAG must present vendors with the OAG's exemption number and other required documentation in order to receive an exemption from tax.

c) Offerors must not include in their prices any allowance for payment under Federal Excise Tax if the OAG is exempt from those taxes. If an order or contract is awarded for the purchase of an item that is subject to Federal Excise Tax, the OAG will furnish the vendor with an exemption certificate upon request.

(Source: Added at 37 Ill. Reg. 3741, effective April 1, 2013)