**Section 150.101 Description of the Tax**

a) The Use Tax is a privilege tax imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer, as "retailer" is defined in the Use Tax Act.

b) The tax is not on the privilege of using any particular commodity, but on the privilege of using anything which happens to come within the general designation of "tangible personal property".

c) Tangible personal property includes the following:

1) *Computer software,* see also 86 Ill. Adm. Code 130.1935;

2) *Photographs, negatives, and positives that are the product of photoprocessing, but not including products of photoprocessing produced for use in motion pictures for commercial exhibition*; and

3) *Beginning January 1, 2001, prepaid telephone calling arrangements shall be considered tangible personal property subject to the tax imposed under this Act regardless of the form in which those arrangements may be embodied, transmitted, or fixed by any method now known or hereafter developed*. [35 ILCS 105/3]

d) However, if the seller of tangible personal property for use would not be taxable under the Retailers' Occupation Tax Act (35 ILCS 120/1 et seq.) despite all elements of the sale occurring in Illinois, then the tax imposed by the Use Tax Act shall not apply to the use of such tangible personal property in this State.

e) For example, a purchaser of tangible personal property from a seller who qualifies as an isolated or occasional seller so as not to incur Retailers' Occupation Tax liability is not liable for the Use Tax when using such property in Illinois.

(Source: Amended at 47 Ill. Reg. 6133, effective April 12, 2023)