

## Library Book Sales and Sales Tax Liability

A library is allowed to engage in a very limited amount of “non-competitive” selling of books without incurring sales tax liability if the following elements are met:

- the sale is noncompetitive with business establishments;
- the sale is conducted by the library and not by any franchisee or licensee, and the sale is not in furtherance of a business enterprise;
- all of the book sales’ proceeds go to the library;
- the transaction (i.e., book sale) must not be a continuing one but rather is held either only annually or a reasonably small number of times within a year (i.e., the book sales must be infrequent and cannot be ongoing);
- the dominant motive of the book purchase must be the making of a “donation” to the library conducting the book sale; and
- the books being sold are obsolete, damaged, out-of-date, surplus, etc.

Reference: 86 *Ill.Admin.Code* Section 130.2005(a)(3)