



This Week in State Tax (TWIST)

October 24, 2022



to listen to the
podcast please
[click here.](#)

Illinois: Department Responds to New Survey Questions on Cryptocurrency

The Illinois Department of Revenue issued a general information letter (IT 22-0010-GIL) responding to an annual survey on state corporate income tax policies. In the letter, the Department answered certain new survey questions around cryptocurrency, including confirming that Illinois conforms to the federal treatment of cryptocurrency as property. Further, the Department confirmed that sales of cryptocurrency are treated as sales of intangibles for purposes of apportionment and the application of Public Law 86-272. In other words, sellers of crypto would not be able to claim protection under Public Law 86-272. The Department also responded yes to confirm that if an employee is paid with cryptocurrency, the fair market value of the cryptocurrency paid as wages is subject to Illinois income tax withholding and payroll taxes. However, the Department responded “no” to a question on whether a payment made using cryptocurrency is subject to information reporting requirements to the same extent as any other payment made in property. In other parts of the extensive survey, the Department also changed its response to a question on bonus depreciation since beginning with the 2022 tax year Illinois decouples from 100 percent bonus depreciation. The state further confirmed that Illinois conforms to the Tax Cuts and Jobs Act changes to IRC section 174 that apply for tax years beginning after December 31, 2021. Please contact [Brad Wilhelmson](#) with questions on [IT 22-0010-GIL](#).



For more news and insights on tax developments, follow KPMG’s U.S. Tax practice on Twitter – [@KPMGUS_Tax](#).

kpmg.com/socialmedia

