



Illinois Department of Revenue  
**Instructions for Form ST-244 Rental Purchase Agreement  
Use Tax Return**

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## General Information

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### Who must file Form ST-244?

You must file this return and pay Rental Purchase Agreement Use Tax if you rent merchandise under a rental purchase agreement (commonly referred to as a "rent-to-own" agreement) from a business that does not collect Illinois tax from you. Illinois requires that Rental Purchase Agreement Use Tax not paid to a merchant shall be paid to the Department directly by any person using the rented merchandise in Illinois.

### What is a rental purchase agreement?

A "rental purchase agreement" is an agreement for the use of merchandise by a consumer for personal, family, or household purposes for an initial period of four months or less that is automatically renewable with each payment after the initial period and that permits the consumer to become the owner of the merchandise.

### What receipts are subject to tax?

The Rental Purchase Agreement Use Tax is imposed on the gross receipts paid for renting tangible personal property. "Renting" is considered any transfer of the possession or right to possession of merchandise to a user for a valuable consideration under a rental purchase agreement. Gross receipts include the total rental price or leasing price but do not include receipts received for delivery, reinstatement, processing, waiver, or club program fees.

"Rental price" means the consideration for renting merchandise valued in money, whether received in money or otherwise, including cash, credits, property, and services. Rental price shall be determined without any deduction on account of the cost of the property rented, the cost of materials used, labor, or service cost, or any other expense whatsoever.

Rental price does not include the following:

- charges added by a merchant on account of the merchant's tax liability under the Rental Purchase Agreement Occupation and Use Tax Act or on account of the merchant's duty to collect from the consumer the Rental Purchase Agreement Use Tax imposed by the Act;
- compensation paid to a merchant by a consumer in consideration of the merchant's waiver of any right of action or claim against the consumer for loss or damage to the merchandise rented;
- separately stated charges for insurance; or
- other separately stated charges that are not for the use of tangible personal property.

### When is my return due?

You must file this return and pay the Rental Purchase Agreement Use Tax monthly during the term of the of the rental purchase agreement. Each month of the term of the rental purchase agreement is a separate reporting period, and you must submit a separate Form ST-244, along with a payment for any tax due, for each reporting period. Form ST-244 and its accompanying payment are due on or before the last day of the month following the end of each reporting period. However, if your total tax liability for the year is \$600 or less, you may pay the tax for the entire year (January 1 through December 31) by filing one Form ST-244 on or before April 15 of the following year.

**Note:** If the due date falls on a weekend or holiday, your return and payment are due the next business day.

### How do I file this return and pay the tax due?

Illinois law requires Form ST-244 to be filed electronically, and the tax to be paid electronically. Use MyTax Illinois, available at [mytax.illinois.gov](http://mytax.illinois.gov), to file your Form ST-244 and pay any tax due.

To request a waiver of the electronic return filing and payment mandate, complete Form IL-900-EW, Electronic Waiver Request, which is available from the Department by request at **217 782-7897**, **1 800 732-8866**, or **217 782-3336**. If granted and unless renewed, this waiver shall not exceed two years.

### What if I need help?

If you need help, call us at **1 800 732-8866**, **217 782-3336**, or TDD (telecommunications device for the deaf) at **1 800 544-5304**, or visit our website at [tax.illinois.gov](http://tax.illinois.gov).

### Where do I mail my completed return?

If you have been granted a waiver of the electronic return filing mandate, mail your completed return to the following address:

**RENTAL PURCHASE AGREEMENT TAX  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19013  
SPRINGFIELD IL 62794-9013**

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## Specific Instructions

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**You must round your figures to whole numbers.**

### Step 2: Figure your Rental Purchase Agreement Use Tax

**Line 1** - Enter the total amount paid under rental purchase agreements for this reporting period.

**Line 2** - Multiply Line 1 by 6.25% (.0625).

**Line 3** - Enter the amount of Rental Purchase Agreement Use Tax you paid to another state (not to another country) on the items included on Line 1.

**Line 4** - Compare Line 2 and Line 3. If Line 3 is equal to or greater than Line 2, you do not owe Illinois Rental Purchase Agreement Use Tax. If Line 2 is greater than Line 3, subtract Line 3 from Line 2. This is the total amount due.

ST-244 Instructions (N-12/17)

### Penalty Information

You owe a **late-filing penalty** if you do not file a processable return by the due date, a **late-payment penalty** if you do not pay the amount you owe by the original due date of the return or were required to make quarter-monthly payments and failed to do so, a **bad check penalty** if your remittance is not honored by your financial institution, and a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on a bill. For more information, see Publication 103, Penalty and Interest for Illinois Taxes, available on our website at [tax.illinois.gov](http://tax.illinois.gov).

**We will bill you for any penalty and interest amounts owed.**