

Illinois Department of Revenue
1500 South Ninth Street
Springfield, Illinois 62708

INFORMATION BULLETIN FY83-10

TO: ALL FILERS OF UNIFORM INVOICE TRANSACTION REPORTING RETURNS
SUBJECT: FORMS COMPLETION AND AMENDMENT OF SECTION 130.425 "TRADED-IN
PROPERTY" OF TITLE 86, ILLINOIS ADMINISTRATIVE CODE

Effective December 3, 1982, 86 Illinois Administrative Code, Section 130.425, was amended by the addition of the following language:

"No trade-in credit may be taken for amounts representing the proceeds due or paid under an insurance contract if title to missing, damage or destroyed property is transferred to an insurer by operation of law or contract, i.e., the insurance claim value of property may not be used as a trade-in credit when an insured purchases tangible personal property to replace property which has been lost or destroyed."

Therefore, taxpayers may no longer deduct as a trade-in allowance (on Line 2 of Form RR-556) the amount of any insurance proceeds for missing or destroyed property even if a certificate of title is signed over to the dealer by the insured and the dealer thereafter transfers the title to the insurer.

The Department is finding that more care should be taken by some taxpayers in completing their Uniform Invoice Transaction Return (Form RR-556). Problems we are finding are as follows:

1. Total State, local and transit tax figures are not always provided on lines 10, 14, 18 and 19. Please be sure that these lines are completed. If no tax is due for any one of these lines, then please enter 0.
2. Tax figures are being entered between lines of the tax form or above or below the proper line. This is especially prevalent from taxpayers using a typewriter to complete Form RR-556. Please be sure that your tax figures are clearly written or typed in the proper space provided for each line of your tax return.

In addition to written instructions provided with your Form RR-556, further adherence to the above suggestions, if applicable, will help the Department to expedite processing of your RR-556 return and insure the timely deposit and allocation of remittances received.

If you need additional information or assistance, please contact the Taxpayer Information Division at 312-641-2150 or 217-782-3336.

J. Thomas Johnson
Director of Revenue

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