

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

INFORMATIONAL BULLETIN FY84-32

TO: All Filers of Illinois Sales Tax Returns

SUBJECT: New Sales Tax Processing System/New Sales Tax Return (Form  
RR-1-A)

ANNOUNCEMENT

The Illinois Department is pleased to announce the development of a new sales tax processing system, which will begin operating soon. The new computer-based system will increase the speed, efficiency, and accuracy of processing your returns.

The cornerstone of this system is a new sales tax return, a sample of which is enclosed. This new, simplified return should save you both time and effort. For those who make sales from multiple locations, we have also included a sample of the new Multiple Location Schedule, Form RR-2. Finally, we have provided a sample of a new schedule, Schedule A, for those who report sales of food drugs, or medical appliances. (We explain later in this bulletin who must file this schedule.)

You will first use the new return (and schedules, if necessary) for reporting July 1984 sales. You will receive your preprinted forms for this purpose in late July.

MAJOR IMPROVEMENTS IN SALES TAX FORM (RR-1-A)

The most dramatic improvement is that the new form is shorter. It has only one page and contains a maximum of 58 entries, in comparison to the possible 168 entries on the old form. The shorter format allows us to print the basic instructions on the back of the form. If you need more detailed instructions, please request our new Retailers' Tax Booklet (Form NUC-19).

Also, you will have more latitude in applying tax credits under the new system. Specifically, you will be able to apply "accelerated" tax payments, and pre-paid (motor fuel) sales tax payments against any tax on your return (that is, against state, local AND mass transit taxes). Further, you will be able to apply credit memoranda not only against any tax on your return, but also against any penalty and interest charges.

Another improvement will allow you to figure penalty and interest charges in two calculations, instead of the current possible twelve.

We have also eliminated the "rate columns" found on the old return. Instead, the new return provides a single section (lines 32 - 39) for reporting all receipts and sales taxable at any state rate other than

5%. (Taxpayers who report receipts from sales of food, drugs, or medical appliances which are taxed at the "old" state rates of 2 or 3 percent will also have to be complete and attach a Schedule A to their returns. This schedule gives a standard format for reporting receipts subject to each tax rate. You may obtain copies of Schedule A by writing to the Illinois Department of Revenue, P.O. Box 3545, Springfield, Illinois 62708.)

#### OTHER INFORMATION

If you file returns monthly, you will begin using the new forms in preparing your July return, due at the end of August. If you file annually, you will use the new return when you file for 1984. Other filers should begin using the new return for their first liability period beginning on or after July 1.

In late July we will mail the July, August, and September RR-1-A's with your name, address, registration number, liability period, and due date preprinted; and we will continue our practice of sending you these forms once per quarter.

Upon prior approval from the Department, you may file a computer-printed facsimile of Schedule RR-2. We will approve only facsimiles which are identical in size and format to the schedule we distribute. To obtain approval, send your proposed schedule and your request to the Illinois Department of Revenue, P.O. Box 4098, Springfield, Illinois 62708.

#### A FEW REMINDERS

Although you will see many changes in the near future as the result of our new processing system, some things have not changed and we wish to remind you of a few.

Filing requirements, such as how often you must file and whether you must make accelerated payments, remain the same.

You must still submit an original credit memorandum in order to claim credit on your return (Form RR-1-A, line 57) or on your quarter-monthly payment cards (Form RR-3).

You must support a deduction for pre-paid sales tax on motor fuel (Form RR-1-A, line 51), by attaching Form PST-2 (copy A) to the back of your return.

If you change your business name or address, please inform us by completing Form NUC-15 or NUC-16.

If you report and pay sales tax on each separate transaction (on sales of cars, trucks, airplanes, etc.), you will continue to report these sales on Form RR-556, Combined Invoice Transaction Reporting Return.

Sellers (and certain purchasers) of qualifying manufacturing machinery and equipment will continue to file the Manufacturing and Equipment Schedule, Form RR-586 or RR586A. Sellers of qualifying farm machinery file the Farm Machinery and Equipment

Schedule, Form RR-594 or RR-594A.

If you have questions or need more information about the new return or the new processing system, please call us at 217/782-7897 or, in Chicago, at 312/641-2150. If you prefer, you may write to the Illinois Department of Revenue, P.O. Box 4098, Springfield, IL 62708.

J. Thomas Johnson  
Director of Revenue

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