

Illinois Department of Revenue
101 West Jefferson Street
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY85-14

TO: All Retailers and Users Qualifying for the Graphic Arts
Machinery and Equipment Exemption from Sales Tax

SUBJECT: Expansion of the Exemption

Public Act 83-1338, effective September 7, 1984, amends Section 2 of the Retailers' Occupation Tax Act, and Section 3 of the Use Tax, Service Occupation Tax, and Service Use Tax Acts to expand the graphic arts exemption to include repair and replacement parts used on qualifying machinery and equipment. The exemption rate for September 7, 1984, through December 31, 1984, is 81.25% of receipts. That is, state tax at 5% is due on 18.75% of the receipts from the sale of repair and replacement parts. The exemption rate increases to 100% of receipts on January 1, 1985.

The statute continues to define "graphic arts" as the business of "printing by one or more of the common processes or graphic arts production services as those processes and services are defined in Major Group 27 of the U.S. Standard Industrial Classification Manual."

Local tax is due on 18.75% of the receipts unless your local government reimposes sales tax on the exempted portion of the sale. Then it is due on 100% of the receipts. You should contact your local government to determine if it reimposes its sales tax.

Should you have any further questions, you may call us at (217) 782-7897 in Springfield or, in Cook County, at (312) 641-2150.

J. Thomas Johnson
Director of Revenue

Issued: November, 1984

•