

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

INFORMATIONAL BULLETIN FY86-24

TO: All Retailers Located Within the Corporate Limits of the
Cities of Elgin, Illinois

SUBJECT: Illinois Enterprise Zone Act
Public Act 82-1019 (SB 1299)
Public Act 84-221 (HB 833)

If your business does not sell building materials, please disregard
this bulletin.

The Illinois Department of Commerce and Community Affairs has certified
an area in the city of Elgin as an enterprise zone in accordance with
the provisions of Public Act 82-1019. This act provides relief from
state local (but not RTA) sales tax of building materials which will be
incorporated into real estate in the Elgin Enterprise Zone.

To be eligible, you for sales tax relief you must be located within the
city limits of Elgin and make a sale of building material which will be
incorporated into real estate in the Elgin Enterprise Zone by
remodeling, rehabilitation or new construction.

HOW TO REPORT ENTERPRISE ZONE SALES MADE ON OR AFTER SEPTEMBER 1, 1985

1. Obtain a statement, signed by the purchaser, indicating that the
building materials qualify for the tax exemption (see reverse side
for example of Purchaser's Statement);
2. Report gross receipts (including RTA tax) from all such sales in
Item 1 on your sales tax return (Form RR-1-A);
3. Deduct the enterprise zone receipts and RTA tax in Item 14 on your
return, and identify the deduction as "Enterprise Zone Sales";
4. Include the enterprise zone receipts in line 46 of your RR-1-A
(receipts subject to RTA Tax).

Note: Please keep the Purchaser's Statement (in Item 1 above) for
your records. Do not send it to us unless we specifically
request it.

HOW TO REPORT ENTERPRISE ZONE SALES MADE FROM JULY 1 THROUGH AUGUST 31,
1985.

The law concerning sales made before September 1 requires a different
reporting procedure. For these sales, you must initially pay the tax
with your tax return and then file a claim for credit to recoup the
tax. Here is how to do it:

1. Report gross receipts from your "enterprise zone sales" on line 1 of
your tax return (Form RR-1-A);

2. Pay all taxes due;
3. Unconditionally refund tax to the purchaser or otherwise demonstrate that you (the retailer) bore the burden of the tax; and
4. File Claims for Credit (on Form RCR-21 for state tax; RCR-22 for municipal tax) with the Department of Revenue.

To substantiate your claim, you must send with it the following:

- A. A copy of the invoice, showing type of material, price, and sales tax charged.
- B. A statement signed by the purchaser, that the material qualifies for enterprise zone tax relief (see Purchaser's Statement in this bulletin);
- C. A copy of the cancelled check, credit memorandum, or "instant refund" showing tax refunded to the purchaser (see reverse side for sample of "instant refund").

FOR MORE INFORMATION

If you have any questions regarding this sales tax exemption, please call or write us. Our address and telephone number are at the top of this bulletin.

J. Thomas Johnson
Director of Revenue

Issued: October 1985

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