

Illinois Department of Revenue  
J. Thomas Johnson, Director  
101 West Jefferson Street  
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY86-51

TO: Motor Vehicle Dealers and Other Filers of Transaction Reporting  
Returns (Form RR-556)

SUBJECT: Upcoming Changes in the Sales Tax Law and in Form RR-556 A Few  
Reminders for Completing Form RR-556

TWO NEW TAXES ON JULY 1

Effective July 1, 1986, the Department of Revenue will begin collecting two new local sales taxes on behalf of certain local taxing bodies. The first, the county supplementary tax, may be imposed by any county except Cook County (authorized in Public Act 84-163). The second, the county water commission tax, may be imposed by the DuPage Water Commission only (authorized in Public Act 84-119). The rate for each of these taxes is 1/4%.

If you are not sure whether your county has adopted a supplementary tax, please see the back of this bulletin for a list of the counties which will be imposing the tax. If you are not sure whether you are in the DuPage Water Commission territory (and therefore subject to the water commission tax), please contact us at one of the telephone numbers listed above. When you call, please be able to state whether you are located inside or outside an incorporated municipality at least part of which lies within DuPage County.

REVISED RETURN STARTING JULY 1

In Order to "make room" for these new taxes, we have revised Form RR-556, the return you use to report individual vehicle transactions. We are sending you a sample of the revised form early (see enclosed seller's copy) so that those of you who complete these forms on computer printers will have plenty of time to adjust your programs to the new format.

You will notice that we have added several lines to the return (lines 10-13) to allow reporting of the new taxes. Note also that you may take a 2.1% cost-of-collection discount for the county supplementary tax. In addition, we have changed the placement (though not the content) of the boxes devoted to information on the vehicles you sold or accepted in trade.

We will send you a supply of revised RR-556's (and an order blank for more) in middle or late June. Please remember that you must use the revised forms for any sales you make on or after July 1, 1986. The date of sale is the date the vehicle is delivered to the purchaser. (Note: We cannot accept the "old" returns for sales made on or after July 1, 1986.)

DISPOSITION OF UNUSED OBSOLETE FORMS

Because RR-556's are individually numbered and assigned from a controlled inventory, we must ask you to return to us any old returns that you have on hand on July 1, 1986. You may either send them to our Springfield Office at P.O. Box 4054, Springfield, Illinois 62708 or drop them off at your local Illinois Department of Revenue District Office (see list of district offices on back). Please return your unused obsolete RR-556's by July 15, 1986.

#### A FEW REMINDERS

As some of you know, we have in the last few months been issuing more assessments than usual. Much of the increase has been due to the start-up of our new sales tax computer system. Some notices were undoubtedly sent in error. We apologize for this and believe we have now solved the problems that resulted in the inaccurate notices.

Many other notices were sent because returns were completed either incorrectly or incompletely. It is these errors which we need your help to eradicate. Following is a summary of some items that have accounted for many of these types of errors. Please take a moment to look them over.

Page 2

FY86-51

#### 1. Nontaxable Sales

If a sale is exempt from tax, please be sure to check the appropriate box (A-K) and supply all other requested information, such as a driveway decal number or a schedule.

#### 2. Legibility

Please be sure the pink copy is legible. If you are completing these forms by hand, remember to press hard.

Please be sure amounts are entered on the correct lines. This is especially a problem on returns which are prepared on a computer printer.

#### 3. General

Remember to enter the date of delivery. That date helps determine whether or not the tax is paid on time.

If you have replacement vehicle tax receipts (see line 2 of the return), you must attach Form RVT-7.

On line 4 do not include any home rule tax (i.e., a tax you pay directly to a local government).

On line 8 enter the name of the county if the sale was made in an unincorporated area; otherwise enter the name of the municipality. This item is particularly important if you have more than one sales location.

Both you and the buyer must sign the return.

If you have any questions or need more information, please call or write us. Our address and telephone number are at the top of this bulletin.

J. Thomas Johnson  
Director of Revenue

Issued: May 1986