

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

INFORMATIONAL BULLETIN FY86-53

TO: All Registered Retailers

SUBJECT: Upcoming Changes in the Sales Tax Law and in Form RR-1-A

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%. All retailers located within boundaries of the affected counties or the DuPage Water Commission, including those located within incorporated municipalities, must collect the tax.

In General, the tax bases of these taxes follow the state tax base. The only state tax deductions that the new taxes do not allow are: the recently enacted exemption for oil field equipment (reported on Schedule RR-597) and the recently enacted enterprise zone exemption for pollution control facilities and manufacturing machinery (reported on Schedule RR-601). For an explanation of how to figure these taxes, see the instructions for lines 50 and 53 on the back of the return.

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 the sales tax return, Form RR-1-A. You will use the new form for the first time to report your July tax liability - due on or before the end of August. We are sending you a sample of the revised form (see enclosed copy) so that those of you who complete these forms on computer printers will have time to adjust your programs to the new format.

You will notice that there is a new section on the return (lines 50-55) 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 (if tax is paid on time). In addition, the revised return changes slightly the reporting of some of the deductions included in lines 2-14, such as the deductions for food stamps and gasohol.

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

J. Thomas Johnson
Director of Revenue

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