

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

INFORMATIONAL BULLETIN FY87-4E

TO: Building-Materials Retailers Located Within the Corporate Limits
of Urbana

SUBJECT: Sales Tax Exemption for Certain Sales of Building Materials for
Use in Enterprise Zones

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

Since the time your enterprise zone was designated, we have sent you
several informational bulletins explaining the sales tax incentive
available for purchasing building materials for use in the zone. The
result has been that retailers have had to merge as many as four bulletins
in order to figure out the current law and filing procedures.

The purpose of this bulletin is to eliminate that complicated task. This
bulletin contains, in a single document, all the information you will
normally need to know about the enterprise-zone sales tax exemption.

As of December, 1986, here is the most current information on this
exemption:

1. Your retail establishment must be located within the corporate limits
Belleville in order to be eligible to make these tax-exempt sales.
2. The purchaser must be buying building materials which will be
incorporated in real estate in the zone by means of remodeling,
rehabilitation, or new construction. NOTE: The building improvement
must be of the nature and scope for which a building permit is required
by the building code.
3. The purchaser must give you a copy of the building permit and a signed
statement indicating the address in the enterprise zone at which the
building materials will be incorporated. (See the reverse side for an
example of a Purchaser's Statement.)
4. You must report receipts from these sales on line 1 of your sales tax
return (Form RR-1-A) and then deduct the receipts on line 13 or 14.
Please identify the deduction as "Enterprise Zone Sales." NOTE:
Eligible sales are exempt from state, local, mass transit (Metro East),
and county supplementary sales taxes. Also, if your municipality
imposes a home-rule sales tax on sales of building materials, you may
wish to check with your Zone Administrator about whether the
enterprise-zone exemption applies to the home-rule tax.

If the law should change again so that these instructions are no longer accurate, we will, of course, let you know.

In the meantime, if you have questions or need more information, please contact us. Our address and telephone numbers are at the top of this bulletin.

Roger D. Sweet,
Director of Revenue

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