

Illinois Department of Revenue
J. Thomas Johnson, Director
101 West Jefferson Street
Springfield, Illinois 62794

INFORMATIONAL BULLETIN FY87-11E

TO: Building-Materials Retailers Located Within the Corporate
Limits of Mt. Carmel

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 of Mt. Carmel in order to be eligible to make these tax-
exempt sales.
2. The purchaser must be buying building materials which will be
incorporated in industrial or commercial (not residential) 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 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 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.

J. Thomas Johnson
Director of Revenue

Issued: December 1986

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