

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

INFORMATIONAL BULLETIN FY87-20

TO: Retailers of Machinery and Equipment Used In:

Manufacturing	Oil-Field Exploration, Drilling and Production
Farming	Coal Exploration, Mining, and Reclamation
Graphic Arts	
Distillation of Ethanol for Motor Fuel	

SUBJECT: New, Consolidated Schedule for Reporting Sales Tax Exemptions

If you make retail sales (or report your own purchases) of any of the above types of machinery and equipment, please read this bulletin.

Schedule 602, Tax Relief Exemptions

Effective with your January tax return, you will be able to report on a single schedule your tax-exempt receipts from sales (or purchases) of machinery and equipment used in:

manufacturing	oil-field exploration, drilling and production
farming	coal exploration, mining, and reclamation
graphic arts	
distillation of ethanol for motor fuel	

The new schedule-Schedule-602-replaces the following schedules:

Schedule 586 - for machinery and equipment used in manufacturing, in graphic arts, or in the distillation of ethanol for use as a motor fuel.

Schedule 594 - for machinery and equipment used in farming.

Schedule 597 - for machinery and equipment used in oil-field exploration, drilling, and production.

In addition to consolidating the schedules, we have simplified the reporting somewhat.

For example:

You will be able to report receipts for each exemption by location, rather than by transaction.

You will report only the amount exempt from tax, not the selling price or the trade-in amount.

If you are a retailer of graphic arts or distillation machinery, you will no longer have to combine sales of graphic arts or distillation machinery with sales of manufacturing machinery. Schedule 602 devotes separate columns to each of these items.

See enclosed schedule for more information.

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Completing Your RR-1-A

The instructions on Schedule 602 supersede the instructions on your RR-1-A, as far as these tax exemptions are concerned.

If the instructions on your RR-1-A refer to the "old" exemption schedules (Schedules 586,594,597), simply substitute the appropriate column of the RR-602.

For More Information

If you have questions or need more information, please refer to page 6 of the Retailers Tax Booklet (NUC-19) or contact us directly. Our address and telephone numbers are printed at the top of this bulletin.

J. Thomas Johnson,
Director of Revenue

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