

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

INFORMATIONAL BULLETIN FY87-23E

TO: Building-Materials Retailers Located Within the Corporate  
Limits of Canton or the Unincorporated Area of Fulton County

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 Canton or the unincorporated area of Fulton County 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

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