

Illinois Department of Revenue
Roger D. Sweet, Director
101 West Jefferson Street
Springfield, Illinois 62794

INFORMATIONAL BULLETIN FY88-5

TO: Taxpayers Who File Sales Tax Returns (Form RR-1-A)
SUBJECT: Completing the RR-1-A

This bulletin is written to all taxpayers, but especially to those who have received correspondence from us within the last year about underpaid sales tax. Please take a moment to read the bulletin now; it may save you hours of effort in the coming months.

Roughly HALF of all sales tax returns contain errors of some type. Therefore, each month we are sending (and you must respond to) a great deal of correspondence in order to correct returns AFTER they have been filed.

HOW TO CUT DOWN ON CORRESPONDENCE

Because it is obviously more efficient to AVOID errors rather than to CORRECT them, we would like to offer the following tips.

FIRST, please request the booklet of comprehensive RR-1-A instructions if you need one. Booklet NUC-19, "The Retailers' Tax Booklet," was last revised in March 1987, (The revision date appears to the right of the title.) If your copy is out of date, you may request a new one by writing to Illinois Department of Revenue, P.O. Box 19010, Springfield, Illinois 62794-9010 or calling toll free 1 800 732-8866 (within Illinois) or 217 782-3336 (outside Illinois).

SECOND, please take a few moments to read the following reminders:

- PROPER RETURN. Please use the return printed with your name, address, and CORRECT LIABILITY PERIOD. If you receive three returns at a time, please be aware that each is preprinted for a specified month. They are not interchangeable.
- TAX BASE VS. TAX DUE. "Tax base" is the amount subject to a particular tax. "Tax due" is the tax base times the tax rate. Be sure not to confuse the one with the other. Also, please remember to make an entry in all applicable tax-base lines and in all applicable tax-due lines.
- TOTALS. Complete all applicable "total" lines. Note: Line 59 is no longer a "total" line. Use line 60 instead.
- GASOHOL (LINE 5) AND GASOLINE (LINE 6). Enter your gasoline deduction on LINE 6, not line 5. If you use line 5 for gasoline, we will look for those receipts to be added back to your local tax base. If your

line-5 receipts are not in the local tax base, we will assume that you forgot to add back your "gasohol" deduction and will send you a bill - when the actual mistake may have been the entering of your gasoline deduction on the wrong line.

- HOME RULE TAX (LINE 11). Enter home rule taxes you collect, except home rule tax on cigarettes. Home rule taxes are taxes which you pay directly to the home rule government itself. Do not include home rule taxes in line 17.
- FOOD, DRUGS, AND MEDICAL APPLIANCES (LINE 12). Enter the receipts qualifying as exempt from state tax PLUS any local or mass transit taxes which you collected on these receipts. When you add back these receipts in figuring your local tax, be sure to EXCLUDE the amount which represents the local or mass transit taxes. That is, the amount of your addback is line 12 MINUS the portion of line 12 which represents local and mass transit taxes.
- TAX COLLECTED (LINE 17). Enter state, local, mass transit, and special local taxes collected and included in line 16. Do NOT include either home rule taxes (which you deducted on line 11) or the taxes on food, drugs, and medical appliances (which you included in the deduction on line 12).
- LOCAL TAXES, MASS TRANSIT TAXES, AND SPECIAL LOCAL TAXES (LINES 41-53). Some items which are nontaxable under the state tax are taxable under one or more of the taxes figured on lines 41-53. Therefore, it is critical that you follow closely the instructions (on the return or in Booklet NUC-19) for each of those lines.

FORM MORE INFORMATION

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

Roger D. Sweet
Director of Revenue

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