

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

INFORMATIONAL BULLETIN FY88-11E

TO: Building-Materials Retailers Located Within the Corporate
Limits of Danville or Tilton

SUBJECT: Enterprise Zone Act
Public Act 82-1019
Public Act 84-221

This bulletin supersedes FY87-19E, issued December 1986.

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

Effective July 1, 1987, an area within Tilton was added to the Danville Enterprise Zone. Among other things, this means that the sales tax exemption on certain purchases of building materials used within the zone is now available from building-materials retailers located in Tilton as well as from retailers located in Danville.

The addition of Tilton is the only change to the sales tax exemption. However, to save you from having to find and amend your "old" bulletin describing the terms of the exemption, we have reprinted the terms below.

As of July 1987, here is the most current information on the sales tax exemption for purchases of building materials incorporated into the real estate within the Danville Enterprise Zone:

1. Your retail establishment must be located within the corporate limits of Danville or Tilton to make these tax-exempt sales. NOTE, HOWEVER, THAT SALES IN TILTON MUST HAVE BEEN MADE ON OR AFTER JULY 1, 1987 IN ORDER TO QUALIFY.
2. The purchaser must be buying building materials which will be incorporated into 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 in item 13 or 14 and 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 circumstances 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 number are at the top of this bulletin.

Roger D. Sweet
Director of Revenue

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