

+ CHANGES IN THE LAW ON PHOTOPROCESSING

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|TO:| PROFESSIONAL
+---+ PHOTOGRAPHERS

RETAILERS OF THE
PRODUCTS OF
PHOTOPROCESSING

If you are not in this group of taxpayers, please disregard this bulletin.

Effective September 11, 1989, a new law went into effect that changes the way some of you figure out the amount of tax due on the products of photoprocessing (pictures, slides, negatives, or motion pictures other than motion pictures for commercial exhibition).

On those sales in which you provide only the photoprocessing, you pay tax on 100% of the selling price. Stock or standard photos that are not sold in conjunction with other services (such as mass-produced photos of

common items) are also taxable on 100% of the selling price.

On those sales in which photoprocessing is sold in conjunction with other services, you must pay tax on the photoprocessing portion of the bill. The service portion of the photographer's bill, the charge for taking the photo, is not taxed.

I PROVIDE SERVICE IN
CONJUNCTION WITH
PHOTOPROCESSING. HOW DO
I FIGURE OUT HOW MUCH
TAX TO PAY?

If you are a professional photographer, how you write the bill to your customer will determine how much tax to pay. Here are your choices:

- If you state the charge for photoprocessing separately on the bill, you collect tax on that amount.
- If you do not state the charge for photoprocessing separately on the bill, you collect tax on 10% of the total bill.*

If the photoprocessing is done in-house, you must collect tax on no less than the cost price of the materials you used for developing and printing.

QUESTIONS?

If you have questions or need additional information, you may call or write us at the phone numbers and address listed at the bottom of this bulletin.

* If you sell the products of photoprocessing in conjunction with services other than those of a professional photographer, you must pay tax on 50% of the total bill.

FOR
INFORMATION

CALL: 1 800 732-8866 or
1 217 782-3336
WRITE: Illinois Department of Revenue
101 W. Jefferson St., P.O. Box 19044
Springfield, IL 62794-9044
