

+ CHANGES IN SALES AND MISCELLANEOUS TAXES

<p>+----+</p> <p> TO: RETAILERS AND TAX +---+PRACTITIONERS</p> <p>The purpose of this bulletin is to inform you of changes in the law that affect sales tax and certain miscellaneous taxes.</p> <p>DEFINITION OF "RETAILER" EXPANDED</p> <p>The definition of "retailer maintaining a place of business in this state" retailers who</p> <ul style="list-style-type: none"> - solicit orders for merchandise through any marketing activity, including advertising through printed or electronic media such as radio, television, newspapers, periodicals, or mail, or - exercise ownership or control over another retailer in Illinois, or - have a franchise or other licensed business operating in Illinois under the retailer's trade name. 	<p>REGISTRATION RECERTIFICATION FOR RETAILERS NOW REQUIRED</p> <p>Certificates and subcertificates of registration will expire in five years. Taxpayers who register after January 1, 1990, will find an expiration date on their certificates. Within the next five years, taxpayers already registered will receive new certificates. Certificates will automatically be renewed, except when a monthly filer owes tax for any of the taxes we administer. In this case, we will notify the taxpayer, at least 120 days before the certificate's expiration, of the default and of our intention to withhold certificate renewal.</p> <p>FARM MACHINERY AND EQUIPMENT EXEMPTION EXPANDED</p> <p>Effective August 15, 1989, taxpayers who purchase farm machinery and equipment to use in federal and state agricultural programs are exempt from paying sales tax on that machinery. Previously the exemption was good only for farm machinery and equipment used</p>	<p>DRIVEAWAY DECAL REQUIREMENT WAIVED FOR OUT-OF-STATE PURCHASERS OF VEHICLES</p> <p>Effective January 1, 1990, out-of-state purchasers who buy motor vehicles from Illinois retailers are no longer always required to purchase driveaway decals. This requirement is waived only if the out-of-state buyer has vehicle registration plates from another state to transfer to the new vehicle.</p> <p>SURVIVING SPOUSE EXEMPT FROM VEHICLE USE TAX</p> <p>Effective January 1, 1990, surviving spouses are no longer required to pay the \$15 tax on vehicles which pass to them as beneficiaries of an estate.</p> <p>FUEL USED FOR INTERNATIONAL FLIGHTS EXEMPT FROM SALES TAX</p> <p>Effective August 15, 1989, the fuel and petroleum products used for international flights by air common carriers are exempt from sales tax. The air carrier must certify that the fuel will be used for an international flight.</p>
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primarily in production agriculture.

RENEWAL OF BUSINESS CERTIFICATE OF TAX-DELINQUENT CORPORATIONS MAY BE DENIED

Beginning on January 1, 1990, the Secretary of State is required to deny renewal of business certificates to any corporation that has a delinquent tax liability. This change amends the Business Corporation Act of 1983.

CHANGES IN THE BULK SALE BUYER REQUIREMENTS

Effective September 14, 1989, the buyer of a business must file, within 10 days of the purchase of the assets, a Form NUC-542-A, Notice of Sale/Purchase of Business Assets, with our Chicago office. We then have 10 days to issue a bulk sale stop order if the business has a tax liability. Within 60 days of issuing the initial stop order, we are required to notify the buyer of the exact amount of taxes, penalties, and interest to withhold in escrow.

This change also amends the Income Tax Act.

GASOHOL EXEMPTION DECREASED

Beginning on January 1, 1990, the sales tax exemption on gasohol changes to 30 percent of gasohol receipts. Purchasers of gasohol will now pay sales tax on 70 percent of their gasohol receipts.

CHANGES THAT HAVE BEEN REPORTED IN EARLIER BULLETINS

The following topics have been discussed at length in earlier bulletins:

- Increase in Cigarette Tax, Fy90-1
- Changes in the Motor Fuel Use Tax Rate, FY90-2
- Increase in the Tax Rate for Motor Fuel, FY90-3
- Increase in the Tax Rate for Motor Fuel, FY90-4
- Changes in Sales Tax Laws, FY90-6
- "Canned" Computer Software Will Be Subject to Sales Tax, FY90-7

- Uniformity in the Illinois Motor Fuel Tax Schedules and In Magnetic Tape Filing Capability, FY90-8

- New Sales Tax Return For Sales of Registered Vehicles, Aircraft, and Mobile Homes, FY90-10

- DuPage County Motor Fuel Tax Imposed, FY90-11

- Changes in the Law on Photoprocessing, FY90-12

- Increase in the Tax on Coin-Operated Amusement Devices, FY90-13

QUESTIONS?

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

 FOR INFORMATION CALL: 1 800 732-8866 or
 1 217 782-3336
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 Springfield, IL 62794-9044
