CHANGES IN HOME RULE SALES TAX IN SCHAUMBURG (DU PAGE COUNTY)

Summary: Your sales tax rate is changing on September 1. Remember to adjust your cash registers.

TO: ALL RETAILERS AND SERVICEPERSONS CONDUCTING BUSINESS IN SCHAUMBURG (DU PAGE COUNTY)

Schaumburg has a new home rule sales tax. You should begin collecting this new rate from customers who buy from you on September 1 and afterward.

It may be necessary to adjust your cash registers and any computer programs you use so that, beginning on September 1, you will be collecting and paying the correct amounts.

We are responsible for administering this tax. You will report it on your regular ST-1 beginning with your September return (which is due October 31.)

Schaumburg's new home rule sales tax rate is 0.50 percent on general merchandise. This will be combined with your current rate of 6.5 percent for a total general merchandise rate of 7 percent.

You will report receipts from this general merchandise tax on line 4a on the ST-1. Your preprinted return will show the correct combined rate.

Schaumburg will not have a home rule sales tax on qualifying food, drugs, and medical appliances. Your current rate of 1.25 percent will continue to be preprinted on the ST-1, and you should continue to collect and report it on line 5a.

WHAT DO I DO WHEN A CUSTOMER PAYS ME AFTER SEPTEMBER 1 FOR A PURCHASE MADE EARLIER?

If the original purchase was made at a different tax rate from those rates in Line 4a and 5a, you must report these receipts on Line 8a of the ST-1.

WHAT'S NEW FOR AUTO DEALERS?

If you sell cars or other items that require a title, you should pay special attention. The home rule sales tax does not apply to these sales, and receipts from these sales will continue to be taxed at the current rate of 6.5 percent when reported on Form ST-556.

However, the rate of 7 percent reported on Form ST-1 will apply to receipts from sales of general merchandise, such as the parts you sell over the counter and the parts you use during service of motor vehicles and airplanes.

WHAT ELSE CHANGES?

This is a new tax for Schaumburg and it has the same base for general merchandise and food and drugs as the state tax you are already familiar with. (The base refers to those items that are taxed. Any item that is exempt from state tax will also be exempt from this home rule tax.) The only real change is in the tax rate.

WHAT ARE MY SPECIAL FILING INSTRUCTIONS?

+ Monthly Filers

Your September return will be the first return to have combined rates. The due date is October 31, 1990, for the return for September 1990.

+ Quarterly Filers

You will have two returns for the third quarter. The return for July and August will be preprinted with the lower rates, and a return for September will be preprinted with the higher combined rates. The due date for both returns is October 31, 1990.

+ Annual Filers

You will have two returns for 1990. The return for January through August will be preprinted with the lower rates, and a return for September through December will be preprinted with the higher combined rates. The due date for both returns is January 31, 1991.

QUESTIONS?

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

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