

+ CHANGES IN HOME RULE SALES TAX IN ALTON
 Summary: Your sales tax rate is changing on September 1.
 Remember to adjust your cash registers.

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|TO: ALL RETAILERS AND
 +---+SERVICEPERSONS
 CONDUCTING
 BUSINESS IN
 ALTON

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.

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.

This is to remind that, beginning with sales you make on September 1, 1990, you will report and send to us both the home rule sales tax you collect and the state and local sales tax you have been collecting. These rates will be combined and preprinted on your Form ST-1, Sales and Use Tax Return.

Beginning September 1, Alton will no longer impose a home rule sales tax on QUALIFYING FOOD, such as food sold in grocery stores. Nor will Alton tax such items as aspirin, gauze, and medical powders.

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.

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.

Thus, effective September 1, Alton will exempt QUALIFYING FOOD, DRUGS, AND MEDICAL APPLIANCES from home rule sales tax. The state and local rate appearing on your ST-1 will be 1.25 percent.

WHAT ELSE CHANGES?

HAS THE HOME RULE SALES TAX RATE CHANGED?

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

The home rule sales tax 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.)

No change has occurred in Alton's 0.5 percent home rule sales tax rate for GENERAL MERCHANDISE. Therefore, the combined general merchandise rate will be 7 percent.

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.

TAX TO ILLINOIS
CUSTOMERS WHO LIVE
OUTSIDE MY HOME RULE
MUNICIPALITY?

Effective September 1,
1990, you will charge
home rule tax on your
sales (except sales
reported on Form ST-556)
regardless of your
Illinois customer's
address or the sale's
point of delivery
within this state.

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.

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.

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.

+ 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.

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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
