

+ CHANGES IN HOME RULE SALES TAX IN AURORA
 Summary: Beginning with your September 1 sales,
 you will report your home rule sales tax to state.

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

This is to remind you 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 sale tax you have been collecting. These rates will be combined and preprinted on your Form ST-1, Sales and Use Tax Return.

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.

HAS THE HOME RULE SALES TAX RATE CHANGED?

Effective September 1, 1990 Aurora has increased its home rule sales tax rate for GENERAL MERCHANDISE. Therefore, the combined general merchandise rate will be 7.00 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.

Beginning September 1, Aurora will no longer impose its home rule sales tax rate for QUALIFYING FOOD, DRUGS, AND MEDICAL APPLIANCES. Thus the rate for these items appearing on your ST-1 will be 1.25 percent.

You will report receipts from this food and drug tax on line 5a on the ST-1. Your preprinted return will show the correct combined rate.

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

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 6.25 percent when reported on Form ST-556.

However, the rate of 7.00 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'S BEING TAXED?

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.)

OF PREPARED FOOD AND BEVERAGES?

You are accustomed to paying the following taxes on restaurant-type (prepared) food:

- 1) the state and local sales tax of 6.5 percent; and
- 2) an Aurora food and beverage tax of 2 percent; and
- 3) an Aurora home rule sales tax of 0.25 percent.

Beginning with your sales on September 1, you will collect and pay to us:

- 1) the state and local sales tax of 6.5 percent; and
- 2) the Aurora home rule sales tax of 0.5 percent.

You will report these sales along with all of your other general merchandise sales on your ST-1, paying the combined general merchandise rate of 7 percent.

Then you should pay directly to the city of Aurora its food and beverage tax of 2 percent.

DO I CHARGE HOME RULE 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.

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. 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 are listed at the bottom of this bulletin.

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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
