

■ Non-Home Rule Sales Tax in East Peoria

TO: All Retailers and Servicepersons Conducting Business in East Peoria

Effective January 1, 1994, East Peoria has imposed a non-home rule sales tax.

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

The non-home rule sales tax rates are part of the combined rates which are preprinted on your Form ST-1, Sales and Use Tax Return and, for multiple-site filers, your Form ST-2, Multiple Site Form.

What's being taxed?

East Peoria's non-home rule sales tax has the same base as the state sales tax you are already familiar with. (The base refers to those items that are taxed. Any item that is exempt from state sales tax will also be exempt from this non-home rule sales tax.)

The non-home rule sales tax applies to both

- general merchandise (including food and beverages for immediate consumption, such as restaurant food and drinks) and
- food, drugs, and medical appliances. (The term "food" here refers to food not for immediate consumption, such as food purchased at a grocery store.)

You will report receipts from the general merchandise tax on Line 4a on Form ST-1. Likewise, you will report receipts from the food, drugs, and medical appliances tax on Line 5a. Your preprinted return will show the correct combined rates.

What are the tax rates?

East Peoria's new non-home rule sales tax rate is **1 percent** on general merchandise.

This rate will be combined with the current rate of 6.25 percent for a total general merchandise rate of **7.25 percent**.

Likewise, East Peoria's new non-home rule sales tax rate is **1 percent** on food, drugs, and medical appliances.

This rate will be combined with the current rate of 1 percent for a total food, drugs, and medical appliances rate of **2 percent**.

What do I do when a customer pays me after January 1 for a purchase delivered earlier at a different rate?

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

What's new for those who file Form ST-556, Sales Tax Transaction Return?

If you sell cars or other items that are required to be titled or registered by an agency of Illinois government, you should pay special attention. The non-home rule sales tax **does not** apply to these sales, and receipts from these sales will continue to be taxed at the current rate preprinted on your Form ST-556.

However, the rate preprinted on Forms ST-1 and ST-2 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, watercraft, aircraft, trailers, and mobile homes.

Questions?

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



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INFORMATION...**

CALL: 1 800 732-8866 or 217 782-3336

1 800 544-5304 TDD teletype device **for hearing impaired only**

WRITE: Illinois Department of Revenue, 101 W. Jefferson St., P.O. Box 19044, Springfield, IL 62794-9044
