

■ Changes in Home Rule Sales Tax in Sauget

TO: All Retailers and Servicepersons Conducting Business in Sauget

Effective January 1, 1995, Sauget has increased the home rule sales tax rate.

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 home rule sales tax rate is part of the combined rate which is 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?

The home rule sales tax has the same base for **general merchandise** 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 home rule sales tax.)

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

Food, drugs, and medical appliances are exempt from home rule sales tax. (The term "food" here refers to food not prepared for immediate consumption, such as most food purchased at a grocery store, excluding hot foods, alcoholic beverages, and soft drinks.)

What is the tax rate?

Sauget has increased the home rule sales tax rate on general merchandise from 0.5 percent to **1.5 percent**.

This new rate will be reflected in Line 4a of Form ST-1 as a total general merchandise rate of **8.5 percent**. (This rate includes a 0.5 percent St. Clair County Metro-East Transit District sales tax increase effective January 1, 1995.)

(Although the home rule sales tax does not apply to food, drugs, and medical appliances, the 0.5 percent St. Clair County Metro-East Transit District sales tax increase mentioned above will result in a combined rate of

1.75 percent, effective January 1, 1995. This rate will be preprinted in Line 5a of Form ST-1.)

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 rate in Line 4a of Form ST-1, you must report these receipts on Line 8a.

Does home rule sales tax apply to sales on 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 home rule sales tax **does not** apply to these sales. However, a 0.5 percent St. Clair County Metro-East Transit District sales tax increase will result in an effective rate of **7 percent** on these items for transactions you make on or after January 1, 1995. Any ST-556 forms you order after this date will be preprinted with the new rate.

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.



PRINTED ON RECYCLED PAPER - SOY-BASE INK
BY AUTHORITY OF THE STATE OF ILLINOIS
(300 copies - 12/94 - P.O. Number 50599)

**FOR
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
