

■ Miscellaneous Sales and Use Tax Changes

TO: Retailers and Servicepersons

If you operate a restaurant, cafeteria, or drive-in, beginning August 1, 1997, certain items that you purchased at retail in the past can now be purchased tax free as a sale for resale.

What types of items are affected by this change?

In general, any item of nonreusable tangible personal property that you transfer to your customer when you sell food or beverages is affected.

Examples include, but are not limited to, nonreusable paper and plastic cups, plates, baskets, boxes, sleeves, buckets, utensils, straws, placemats, napkins, doggie bags, and other wrapping or packaging materials.

How are my purchases of these items affected?

Prior to August 1, 1997, only the items used for your carry-out sales could be purchased as a sale for resale. Items

purchased to use on the premises in place of durable serving equipment had to be purchased at retail.

Beginning August 1, 1997, any item, such as those described, that you transfer to your customers when you sell food or beverages can be purchased tax free as a sale for resale. It doesn't matter whether the food or beverages will be carried out or consumed on the premises.

TO: Retailers and Servicepersons

If you are a retailer who sells to common carriers by motor, beginning June 1, 1998, some of their purchases will be exempt from sales and use taxes.

When are the sales that I make to common carriers by motor exempt?

Your sales to common carriers by motor are exempt if the common carrier is purchasing tangible personal property for use outside Illinois and

- receives the property in Illinois and then transports the same property outside Illinois, or
- receives the property in Illinois and shares with another common carrier in transporting the same property outside Illinois.

In either case, the standard uniform bill of lading must show the seller as the shipper or consignor of the property for use outside Illinois.

What records must I keep to document these exempt sales?

You must keep in your records a certification stating

- the purchaser's name and address and
- a copy of the standard uniform bill of lading as described above.

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.

For information or forms...

Call us at 1 800 732-8866 or 217 782-3336

Call our TDD (telecommunications device for the deaf) at 1 800 544-5304

Write us at Illinois Department of Revenue, 101 W. Jefferson St., P.O. Box 19044, Springfield, IL 62794-9044

Visit our Web site at <www.revenue.state.il.us>

Call our "Illinois Tax Fax" fax-on-demand service at 217 785-3400

Call our 24-hour Forms Order Line at 1 800 356-6302