



Changes for Providers of Telecommunication Service
Informational Bulletin

April 2002

Glen L. Bower
Director of Revenue

For information
or forms...

- ◆ Call us at:
217 785-2622
- ◆ Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304
- ◆ Write us at:
Illinois Department of Revenue
P.O. Box 19044
Springfield, IL 62794-9044
- ◆ Visit our Web site at:
www.Iltax.com
- ◆ Call
"Illinois Tax Fax," our
fax-on-demand service, at:
217 785-3400
- ◆ Call
our 24-hour
Forms Order Line at:
1 800 356-6302

To:

Telecommunication, wireless and paging service providers

Beginning October 1, 2002, if you are a telecommunication, wireless or paging service provider who files Form RT-2 and have an annual tax liability of \$200,000 or more in the preceding calendar year, you must make your tax payments by means of Electronic Funds Transfer (EFT).

Will the department notify taxpayers who are required to make payments by EFT?

Yes. If you are required to make your payments by EFT, you must complete Form EFT-1, Authorization Agreement for Electronic Funds Transfer.

Can I still get a filing extension?

No. Beginning January 1, 2003, no filing extension requests will be granted for telecommunications, wireless or paging service providers who file Form RT-2 or Form RT-10.

Are there any new returns or schedules or have there been revisions to any?

Yes. Beginning January 1, 2003, the following new or revised returns and schedules will be available:

- ◆ Form RT-2, Telecommunications Tax Return
- ◆ Schedule RT-2-M, Telecommunications Tax Schedule - **New**
- ◆ Form RT-10, Telecommunications Infrastructure Maintenance Fees Return
- ◆ Form RT-2-X, Amended Telecommunications Tax Return - **New**
- ◆ Form RT-10-X, Amended Telecommunications Infrastructure Maintenance Fees Return - **New**

Has the procedure for applying credit memorandums changed?

Yes. Beginning January 1, 2003, you are still required to write the amount of the credit memorandum you wish to apply on the appropriate line of your return. However, you do not have to attach a copy of the credit memorandum to your return.

If you have multiple credit memorandums, the oldest available will be the first to be applied. If your oldest available credit memorandum is

- ◆ **greater** than the amount you have requested, we will issue you a new credit memorandum for the difference.
- ◆ **less** than the amount you have indicated, we will use the oldest credit, then the amount needed from the next oldest credit, and so on, until the total credit applied reaches the amount you requested.

Do I still need to file Form RPU-21 ?

No. Beginning January 1, 2003, Form RPU-21, Utility Tax Multiple Location Schedule, is no longer required to be filed for telecommunication, wireless or paging providers.

Do I still owe the optional telecommunications infrastructure maintenance fees?

Beginning January 1, 2003, telecommunication service providers who file Form RT-10 no longer pay the Optional Telecommunications Infrastructure Maintenance Fees. However, state Telecommunications Infrastructure Maintenance Fees will still be due.

Are there other changes with EFT payment requirements ?

Yes. Beginning January 1, 2003, telecommunication service providers who file Form RT-2 and have an average monthly tax liability of more than \$1,000, must make their tax payments by means of EFT **and** file their returns and schedules electronically.

Note: Electronic Filing Guides, formats and authorization requirements will be available in the near future on our Web site.

Have the due dates changed?

Yes. Beginning January 1, 2003, for telecommunication service providers who file Form RT-2, the returns will be due on or before the last day of the month for the liability period.

Have the filing frequencies changed?

Yes. Beginning January 1, 2003, for telecommunication service providers who file Form RT-2 the filing frequency will change. Taxpayers with an average monthly tax liability of

- ◆ \$400 or less - file annually
- ◆ more than \$400, but not greater than \$1,000 - file quarterly
- ◆ greater than \$1,000 - file monthly.

In addition, taxpayers with an average monthly tax liability of \$25,000 or more must make quarter-monthly (accelerated) tax payments.

Will the department notify me of a change in my filing requirements ?

Yes. We will notify all taxpayers whose filing frequency has changed.

Can I get a discount?

Yes. Beginning January 1, 2003, if you are a telecommunication service provider and you file Form RT-2, you may take a discount of 1% (.01) if you timely file your return and pay the tax you owe on or before the due date.

To whom do I pay municipal tax ?

Beginning January 1, 2003, if you are a telecommunication service provider that files Form RT-2, Telecommunications Tax Return , and you have customers who have a service address that is located in a municipality with a population of 500,000 or less, you must report and pay the municipal taxes directly to us on Form RT-2. If you need to report more than one municipality, you must also complete and attach Form RT-2-M, Telecommunications Tax Schedule, to your Form RT-2.