

Form RT-2 Instructions

General Information

When must I file Form RT-2?

You must file Form RT-2, Telecommunications Tax Return, each month (unless we notify you to do otherwise) on or before the last day of the month following the month for which you are filing (Example: Form RT-2 for the month of January is due on or before February 28).

If we have changed your filing status to

— **quarterly**, Form RT-2 is due on or before the last day of the month following the quarter for which you are filing (Example: Form RT-2 for the first calendar quarter is due on or before April 30.)

— **annually**, Form RT-2 is due on or before January 31 of the year following the year for which you are filing (Example: Form RT-2 for the year 2012 is due on or before January 31, 2013). If you are filing a **final return**, Form RT-2 is due not more than one month after you sold or discontinued your business.

Can I file this return electronically?

Yes, you can use MyTax Illinois on our website at tax.illinois.gov to file your RT-2.

What if I fail to file my return or pay the amount I owe?

You owe a **late-filing penalty** if you do not file a processable return by the due date, a **late-payment penalty** if you do not pay the tax you owe by the date the tax is due, and a **bad check penalty** if your remittance is not honored by your financial institution. Interest is calculated on tax from the day after the original due date of your return through the date you pay the tax. We will bill you for penalties and interest. For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of Publication 103, visit our website at tax.illinois.gov.

What if my return covers transactions at more than one location?

You must complete Form RT-2-M, Telecommunications Tax Schedule, and submit it with your Form RT-2 if you are reporting transactions at more than one location.

What if I had no business activity during the period for which my return is due?

You still must file Form RT-2 on or before the due date even if you had no business activity during the period for which your Form RT-2 is due.

What if I have questions?

If you have any questions, write to us at the address on the front of this return or call us weekdays between 8:00 a.m. and 4:30 p.m. at **217 782-7517**.

Step-by-Step Information

Step 1: Figure your net gross charges subject to tax

Line 1 - "Gross charges" is the amount paid for

- telecommunications originated or received in Illinois and
- all services and equipment you provided in connection therewith, whether paid for with cash, credit, services, or property.

When you figure your gross charges, do **not** deduct the cost of

- providing such telecommunications;
- materials used in providing telecommunications;
- labor or service; or
- any other expense you incur in providing telecommunications.

Line 2 - If credit is used to pay for telecommunications services and equipment, write the credit amount here when the credit is paid.

Line 4a through Line 4c - Amount of gross charges that you included in Line 1 that were billed to the

4a - federal government.

4b - state of Illinois.

4c - resellers that will later bill and collect tax from the end user.

Note: Sales to resellers are exempt from tax only if you have documentation from the reseller that they are a reseller.

4d - Identify your "other" deductions and include the total gross receipts (excluding those on Lines 4a, 4b, and 4c) that are exempt from tax and included in Line 1. If you are taking a deduction for a DCEO-certified business enterprise, list the business name and amount of the deduction.

Step 2: Figure your tax due

Line 7a - Amount of Line 6 that represents net gross charges that are subject to the current tax rate.

Line 7b - Multiply Line 7a by the current tax rates.

Line 8a - Amount of Line 6 that represents net gross charges that are subject to tax rates **other than** the current combined tax rate.

Line 8b - Multiply Line 8a by the correct tax rate.

Line 10 - To prevent multi-state taxation, you may take a credit against the tax that is owed if you paid tax to another state. You may not take a credit that is greater than the tax owed.

You may also take a credit against the tax that is owed if you paid tax on services you purchased and resold from a telecommunication retailer.

Line 12 - If you file a return and pay the amount you owe by the due date, you are allowed a cost of collection discount. Multiply Line 11 by 1 percent (.01) and write the results on Line 12.

Line 15 - If you pay on a quarter-monthly basis and have overpaid your tax, do not file a claim with us. We will approve a credit for any amount you have overpaid.

Line 17 - If you wish to apply credit, write the amount of credit you are using.

Line 18 - Subtract Line 17 from Line 16. This is the total amount of tax you owe. We will bill you for penalties and interest. See the most current Publication 103, Penalties and Interest for Illinois Taxes, for more information.