



Illinois Department of Revenue
**Instructions for Form ST-201, Rental Purchase Agreement
Occupation Tax Return**

General Information

Who must file Form ST-201?

You must file this return if, in the ordinary course of your business, you regularly lease, offer to lease, or arrange for the leasing of merchandise under a rental purchase agreement (commonly referred to as a "rent-to-own" agreement). You also must file this return if you have been assigned an interest in a rental purchase agreement.

What is a rental purchase agreement?

A "rental purchase agreement" is an agreement for the use of merchandise by a consumer for personal, family, or household purposes for an initial period of four months or less that is automatically renewable with each payment after the initial period and that permits the consumer to become the owner of the merchandise.

What receipts are subject to tax?

The Rental Purchase Agreement Occupation Tax is imposed on the gross receipts received from the renting of tangible personal property. "Renting" is considered any transfer of the possession or right to possession of merchandise to a user for a valuable consideration under a rental purchase agreement. Gross receipts include the total rental price or leasing price but do not include receipts received for delivery, reinstatement, processing, waiver, or club program fees.

"Rental price" means the consideration for renting merchandise valued in money, whether received in money or otherwise, including cash, credits, property, and services. Rental price shall be determined without any deduction on account of the cost of the property rented, the cost of materials used, labor or service cost, or any other expense whatsoever.

Rental price does not include the following:

- charges added by a merchant on account of the merchant's tax liability under the Rental Purchase Agreement Occupation and Use Tax Act or on account of the merchant's duty to collect from the consumer the Rental Purchase Agreement Use Tax imposed by the Act;
- compensation paid to a merchant by a consumer in consideration of the merchant's waiver of any right of action or claim against the consumer for loss or damage to the merchandise rented;
- separately stated charges for insurance; or
- other separately stated charges that are not for the use of tangible personal property.

When is my return due?

You must file this return, along with any payment you owe, on or before the 20th day of the month following the end of your reporting period.

Note: If the due date falls on a weekend or holiday, your return and payment are due the next business day.

How do I file this return and pay the tax due?

Illinois law requires Form ST-201 to be filed electronically, and the tax to be paid electronically. You can use MyTax Illinois at mytax.illinois.gov to file your Form ST-201 and pay any tax due.

To request a waiver of the electronic return filing and payment mandate, complete Form IL-900-EW, Electronic Waiver Request, which is available from the Department by request at **217 782-7897**, **1 800 732-8866**, or **217 782-3336**. If granted and unless renewed, this waiver shall not exceed two years.

What if I have multiple sites?

If you have one business but rent merchandise at more than one location (site), you must combine the receipts from each particular location on Form ST-201.

If you have more than one business that rents merchandise, you must register each business separately to report and pay the Rental Purchase Agreement Occupation Tax.

What if I need help?

If you need help, call us at **217 782-5906** or visit our website at tax.illinois.gov.

Where do I mail my completed return?

If you have been granted a waiver of the electronic return filing mandate, mail your completed return to the following address:

**ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19018
SPRINGFIELD IL 62794-9018**

Specific Instructions

You must round your figures to whole numbers.

Step 1: Figure your taxable receipts

Line 1 - Enter the amount you received under all rental purchase agreements, including tax collected.

Line 2 - Enter your deductions. The amount of deductions on Line 2 cannot be more than the total receipts you entered on Line 1.

Line 2a - Enter the total tax collected under all rental purchase agreements.

Line 2b - Enter the nontaxable fees and charges collected in all rental transactions. See "What receipts are subject to tax?" in General Information above.

Line 2c - Enter the amount you collected from merchandise you rented that was **shipped or delivered by you** outside Illinois.

Line 2d - Identify other deductions.

Line 3 - Subtract Line 2 from Line 1.

Step 2: Figure your tax

Line 4 - Enter your total receipts received from the renting of merchandise under a rental purchase agreement from locations in Illinois.

Line 5 - Multiply Line 4 by the tax rate.

Line 6 - Enter your total receipts received from the renting of merchandise under a rental purchase agreement to Illinois customers from locations outside Illinois.

Line 7 - Multiply Line 6 by the tax rate.

Line 8 - Add Line 5 and Line 7.

Specific Instructions (continued)

Line 9 - If this return is electronically filed and the tax is paid by the due date, you are entitled to a discount. If you qualify, multiply Line 8 by the percentage on Line 9.

Line 10 - Subtract Line 9 from Line 8.

Step 3: Figure your net tax and amount due

Line 11 - Complete Line 11 only if you made quarter-monthly (accelerated) payments. Include on this line any prior overpayment credit that you used to make these payments.

Line 12 - Subtract Line 11 from Line 10.

Line 13 - If you collected more tax than is due, enter your total excess tax collected.

Line 14 - Add Line 12 and Line 13.

Step 4: Figure your payment due

Line 15 - If you have a credit memorandum or prior overpayment and you wish to use it towards what you owe, enter the amount you are using.

Line 16 - Subtract Line 15 from Line 14. This is your payment due.

Step 5: Sign below

We cannot process this form until it is signed by the owner, officer, or other person authorized to sign the return.

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 amount you owe by the original due date of the return or were required to make quarter-monthly payments and failed to do so, a **bad check penalty** if your remittance is not honored by your financial institution, and a **cost of collection fee** if you do not pay the amount you owe within 30 days of the date printed on a bill. For more information, see Publication 103, Penalty and Interest for Illinois Taxes, available on our website at tax.illinois.gov.

We will bill you for any penalty and interest amounts owed.