

+ CHANGES IN HOME RULE SALES TAX IN ROLLING MEADOWS
 Summary: Your sales tax rate is changing again.
 Ignore the rate listed in Bulletin FY91-2.

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|TO: ALL RETAILERS AND
 +----+SERVICEPERSONS
 CONDUCTING
 BUSINESS IN
 ROLLING MEADOWS

This rate will be combined with the 7 percent rate you are already paying on general merchandise and the 2 percent rate you are already paying on qualifying food, drugs, and medical appliances. Therefore, the combined state sales tax rate and home rule sales tax rate that will appear on your ST-1 returns will be 7.25 percent for general merchandise (on line 4a) and 2.25 percent for qualifying food, drugs, and medical appliances (on line 5a).

WHAT'S NEW FOR AUTO DEALERS?

 If you sell cars or other items that require a title, you should pay special attention. The home rule sales tax does not apply to these sales, and receipts from these sales will continue to be taxed at the current rate of 7 percent when reported on Form ST-556.

This is to inform you of a recent change in the home rule sales tax rate in the city of Rolling Meadows and to remind you that, beginning on September 1, 1990. you will send us both the home rule sales tax you will collect as well as the state and local tax you have been collecting.

However, the rate of 7.25 percent reported on Form ST-1 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 and airplanes.

WHAT WILL THE HOME RULE SALES TAX RATE BE?

Rolling Meadows has amended its home rule sales tax rate that is to take effect September 1, 1990. Therefore, the 1.25 percent home rule sales tax rate listed on the chart in Informational Bulletin FY91-2 for Rolling Meadows will not go into effect.

It may be necessary to adjust your cash registers and any computer programs you use so that, beginning on September 1, you will be collecting and paying the correct amounts.

WHAT ELSE CHANGES?

This is a new tax for Rolling Meadows and it has the same base for general merchandise and food and drugs as the state tax you are already familiar with. (The base refers to those items that are taxed. Any item that is exempt from state tax will also be exempt from this home rule tax.) The only real change is in the tax rate.

Instead, Rolling Meadows will impose a home rule sales tax rate of 0.25 percent.

WHAT DO I DO WHEN A CUSTOMER PAYS ME AFTER SEPTEMBER 1 FOR A PURCHASE MADE EARLIER?

If the original purchase was made at a different tax rate from those rates in Line 4a and 5a, you must report these receipts on Line 8a of the ST-1.

WHAT ARE MY SPECIAL
FILING INSTRUCTIONS?

+ Monthly Filers

Your September return will be the first return to have combined rates. The due date is October 31, 1990, for the return for September 1990.

+ Quarterly Filers

You will have two returns for the third quarter. The return for July and August will be preprinted with the lower rates, and a return for September will be preprinted with the higher combined rates. The due date for both returns is October 31, 1990.

+ Annual Filers

You will have two returns for 1990. The return for January through August will be preprinted with the lower rates, and a return for September through December will be preprinted with the higher combined rates. The due date for both returns is January 31, 1991.

QUESTIONS?

If you have questions or need more information, please call or write us. Our telephone numbers and address are listed at the bottom of this bulletin.

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FOR INFORMATION CALL: 1 800 732-8866 or
1 217 782-3336
WRITE: Illinois Department of Revenue
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