



Enterprise Zone Exemption Change

Informational Bulletin

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To: Retailers and Servicepersons

Effective **August 6, 2002**, the deduction for the sale of building materials purchased for incorporation into real estate in an enterprise zone has changed. The change to this exemption consists of two parts.

What is the first part of the change?

The deduction applies only to "qualified sales" of building materials.

What is a "qualified sale"?

For the purposes of this bulletin, a "qualified sale" is a sale of building materials that will be incorporated into real estate as part of a project for which a Certificate of Eligibility for Sales Tax Exemption has been issued.

The administrator of the enterprise zone in which the building project is located must issue the Certificate of Eligibility for Sales Tax Exemption.

How do I document the exemption for the sale of qualified building materials?

To document this exemption, you must keep a copy of the Certificate of Eligibility for Sales Tax Exemption in your books and records. The certificate must contain:

- ◆ a statement that the building project identified in the certificate meets all of the requirements for the building material exemption contained in the enterprise zone

ordinance of the jurisdiction in which the building project is located;

- ◆ the location or address of the building project; and
- ◆ the signature of the administrator of the enterprise zone in which the building project is located.

In addition, you must keep in your books and records certification from the purchaser that contains:

- ◆ a statement that the building materials are being purchased for incorporation into real estate located in an Illinois enterprise zone,
- ◆ the location or address of the real estate into which the building materials will be incorporated,
- ◆ the name of the enterprise zone in which the real estate is located,
- ◆ a description of the building materials being purchased, and
- ◆ the purchaser's signature and date of purchase.

How can I obtain a list of Enterprise Zone Administrators?

A list of Enterprise Zone administrators is maintained by the Illinois Department of Commerce and Community Affairs, Business Finance Division.

The Web site for the Illinois Department of Commerce and Community Affairs is www.commerce.state.il.us.

What is second part of the change?

Second, the ordinance that governs the enterprise zone into which the building materials will be incorporated may neither require nor prohibit the purchase of building materials from any retailer or class of retailers in order to qualify for the exemption.