



Sales Tax Rate Change Summary

Informational Bulletin

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Director of Revenue

For information or forms...

- ◆ Call us at:
1 800 732-8866 or
217 782-3336
- ◆ 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:
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- ◆ Call
"Illinois Tax Fax," our
fax-on-demand service, at:
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- ◆ Call
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Forms Order Line at:
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To:

All Retailers and Servicepersons Conducting Business in Units of Local Government That Have Imposed a Sales Tax Rate Change Beginning January 1, 2003

Effective **January 1, 2003**, certain units of local government have either imposed home rule sales tax or non-home rule sales tax on sales of general merchandise, and some that have previously imposed these taxes have changed their rates.

The rates for these local taxes are part of the combined rate that is preprinted on your Form ST-1, Sales and Use Tax Return, or, for multiple site filers, your Form ST-2, Multiple Site Form.

The new combined rate is reflected in Line 4a of Form ST-1 or Form ST-2 as a total general merchandise rate. To figure the appropriate combined rate, please see the table on the reverse side of this bulletin.

It may be necessary to adjust your cash registers and any computer programs you use so that, beginning on January 1, you will collect and pay the correct amount of tax.

For a complete listing of statewide sales tax rates, see the January 1, 2003, version of our Publication ST-25, Illinois Sales Tax Rate Reference Manual.

What is taxed?

You must collect home rule sales tax and non-home rule sales tax on sales of **general merchandise** (reported on Line 4a of Form ST-1 and Form ST-2). The same items of general merchandise reported on Form ST-1 and Form ST-2 that are subject to state sales tax are also subject to home rule sales tax and non-home rule sales tax.

Home rule sales tax and non-home rule sales tax **do not** apply to sales of qualifying food, drugs, and medical appliances* (reported on Line 5a of Form ST-1 and Form ST-2).

Also, home rule sales tax and non-home rule sales tax **do not** apply to items that must be titled or registered by an agency of Illinois state government (reported on Form ST-556, Sales Tax Transaction Return).

Please note that units of local government may impose and administer other taxes. If these taxes are imposed, they are not collected by the Illinois Department of Revenue. Please contact your municipal or county clerk's office for more information.

What do I do when a customer pays me on or after January 1 for a purchase that was delivered earlier and taxed at a different rate?

If the original purchase was subject to a tax rate that is different from the rate in Line 4a of Form ST-1 or Form ST-2, you must report these receipts on Line 8a.

Note: Line 8a is to be used only to report receivables subject to a previous tax rate. No other use of this line is permitted.

* 86 Ill. Adm. Code 130.310



The following table outlines the sales tax rates for general merchandise effective January 1, 2003, for each of the units of local government in Illinois that have imposed a change

in local sales tax rates. You will find the combined rate preprinted on your Form ST-1 and Form ST-2 for each reporting period.

The sales tax rate changes listed below are the **only** rate changes effective January 1, 2003, that will be reflected on your Form ST-1 and Form ST-2.

	Home Rule Sales Tax Rate Change	Non-home rule Sales Tax Rate Change	General Merchandise Combined Rate Effective 1/1/03
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Addison	+ 0.25%	N/A	7.50%
Alsip	+ 0.50%	N/A	8.50%
Clinton	N/A	+ 0.50%	6.75%
Decatur	+ 0.25%	N/A	7.75%
Elk Grove Village (Cook)	+ 0.25%	N/A	8.50%
Elk Grove Village (DuPage)	+ 0.25%	N/A	7.25%
Forsyth	N/A	+ 0.50%	6.75%
Galena	N/A	+ 0.50%	6.75%
Granite City	+ 0.50%	N/A	8.10%
Highland Park (Lake)	+ 0.50%	N/A	7.50 %
Hillside	+ 1.00%	N/A	8.75%
Oak Lawn	+ 0.25%	N/A	8.25%
Streator (LaSalle)	N/A	+ 0.50%	7.00%
Streator (Livingston)	N/A	+ 0.50%	6.75%
Swansea	N/A	+ 0.50%	7.60%