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Retailer's Overview of Sales and Use Tax and Prepaid Wireless E911 Surcharge

The information in this publication is current as of the date of the publication. Please visit our website at tax.illinois.gov to verify you have the most current revision.

This publication is written in the plain English style so the tax information is easier to understand. As a result, we do not directly quote Illinois statutes or the Illinois Administrative Code. The contents of this publication are informational only and do not take the place of statutes, rules, or court decisions. Visit our website at tax.illinois.gov to view the statutes and rules regarding the various topics covered in this publication for further clarification or more detail. All of the sections and parts referenced can be found in Title 86 of the Code.

About this publication

The focus of this publication is for retailers who file **Form ST-1, Sales and Use Tax and E911 Surcharge Return**.

Knowing how Illinois Sales and Use Tax laws and the Prepaid Wireless 9-1-1 Surcharge Act apply to your business can save you time, trouble, and money. The information included in this publication will supply you with the general information most retailers need to collect the proper amount of tax and Prepaid Wireless E911 Surcharge due and to file returns correctly.

As a retailer, you are responsible for

- collecting the correct amount of sales tax on every taxable sale you make and E911 Surcharge on transactions of prepaid wireless telecommunications service;
- properly documenting the tax-exempt sales you make;
- paying use tax on items used by your business if the items were purchased tax-exempt or removed from inventory and not resold;
- filing a completed Form ST-1, Sales and Use Tax and E911 Surcharge Return, either electronically or on paper by the due date, with the Illinois Department of Revenue; and
- keeping complete and accurate records for all sales and purchases.

Publications that cover other sales taxes and fees, service occupation tax, and specific sales tax applications are available on our website.

Taxpayer Bill of Rights

You have the right to call the Department of Revenue for help in resolving tax problems.

You have the right to privacy and confidentiality under most tax laws.

You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.

You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.

If you have overpaid your taxes, you have the right, within specified time periods, to file for a credit (or, in some cases, a refund) of that overpayment.

For more information about these rights and other Department procedures, you may write us at the following address:

Problems Resolution Office
Illinois Department of Revenue
PO Box 19014
Springfield, IL 62794-9014

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Registering Your Business

Who must register as a retailer?

You must register with us as a retailer if you “do business” in Illinois and you sell “tangible personal property” at retail. You “do business” in Illinois if you

- have a business site in Illinois, such as a store; or
- have, within Illinois,
 - an office or an agent or other representative operating in this state, even if it is occasionally, or
 - a place from which you deliver or produce a product (e.g., a warehouse), or
- sell items at craft shows, fairs, seminars, conventions, etc. in Illinois; or
- are an out-of-state retailer who has a contract with a person located in Illinois and under that contract,
 - the person in Illinois directly or indirectly refers customers to the retailer by providing to the potential customers a promotional code or other mechanism that allows the retailer to track purchases referred by the person; this includes but is not limited to the use of a link on the person’s website, promotional codes distributed through the person’s hand-delivered or mailed material, and promotional codes distributed by the person through radio or other broadcast media; and
 - you pay the person a commission or other consideration based upon your sales of tangible personal property through such contracts; and
 - your cumulative gross receipts from all sales made to customers referred to you by such persons under all such contracts exceed \$10,000 during the preceding four quarterly periods ending on the last day of March, June, September, and December; or
- are an out-of-state retailer who has a contract with a person located in Illinois and under that contract,
 - you sell the same or substantially similar line of products as the person located in Illinois using an identical or substantially similar name, trade name, or trademark as the person located in Illinois; and
 - you pay a commission or other consideration to the person located in Illinois based on your sales of tangible personal property; and
 - your cumulative gross receipts from all sales made to Illinois customers under all such contracts exceed \$10,000 during the preceding four quarterly periods ending on the last day of March, June, September, and December.

“Tangible personal property” is property that can be used or consumed. Tangible personal property does not include real estate, or paper assets, such as stocks or bonds.

In addition, if you are a retailer and you purchase tangible personal property on which you did not pay Illinois sales or use tax to your supplier and any of that tangible personal property is used or consumed by your business, you must pay use tax to the Department.

If you make retail sales only from non-Illinois locations, you are still required to register to collect use tax if you have a salesperson who solicits orders in Illinois, even if the orders are accepted and filled outside Illinois.

If you are a construction contractor and do not make retail sales, see 86 Illinois Administrative Code Sections 130.2075 and 130.1940.

A serviceperson, who is not a retailer, may or may not be required to register. See 86 Illinois Administrative Code Section 140.105.

If you are in the business of leasing tangible personal property, see 86 Illinois Administrative Code Section 130.2010.

Under what circumstances would I be registered as a reseller?

You will be registered as a reseller — rather than a retailer — if all of your sales of tangible personal property are nontaxable (i.e., all sales are for resale) and you wish to buy your merchandise tax-free from registered Illinois suppliers.

How do I register?

Complete Form REG-1, Illinois Business Registration Application

- electronically using MyTax Illinois, available on our website at tax.illinois.gov
- by filing a paper Form REG-1 to be mailed in or faxed to:

CENTRAL REGISTRATION DIVISION 3-222
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19030
SPRINGFIELD IL 62794-9030
 Fax: 217 785-6013
- in person at one of the locations that appear on the back cover of this publication.

How will I know that I have successfully registered?

We will send you a certificate of registration. This certificate is your permit to engage in the business of selling tangible personal property. It lists your Illinois account ID, business name, address, effective date, the tax for which you are registered, and the date the certificate will expire.

You must display your certificate in the place of business for which it was issued and where it can be easily viewed by the public.

If you are in the business of operating vending machines, we will issue a vending machine decal (sub-certificate of registration) for each vending machine you own, based on the number you told us.

What if my business has more than one site?

If your company sells merchandise at more than one location (site), we will supply a certificate of registration for each site you list on your registration application. We will print the individual site address on each certificate so that you can display the appropriate certificate in the place of business for which it was issued.

What if I change the location of my business or one of my sites?

If you change the location of your business or, if you are a multiple site filer, one of your sites, you can update your registered locations using MyTax Illinois, available on our website at tax.illinois.gov. You can also contact the Central Registration Division to update the location information for you. It is important for you to keep this information up to date to ensure you are filing using the correct tax rate. This is also important to the Department to ensure that we allocate the tax you collected to the proper jurisdiction.

Will I need to renew my certificate?

If you are registered as a retailer and are required to file sales tax returns, your certificate of registration will expire in five years. Unless we notify you otherwise, we will renew your certificate of registration automatically.

If you are registered as a reseller, you must reapply every three years. We will send you a renewal packet that you must return before we send you a new certificate.

What if my certificate is lost, damaged, or destroyed?

If your certificate is lost, damaged, or destroyed, you can print a replacement using MyTax Illinois, available on our website at tax.illinois.gov. You can also contact our Central Registration Division to request a new certificate.

What if I discontinue my business or one of my sites, change my business structure, or sell any or all of my business?

If you discontinue your business, you must destroy all certificates related to that business. If you discontinue one of your sites, you must destroy the certificate for that site.

If you change the structure of your business, (for example, changing from a sole proprietorship to a corporation) you must

- tell us to discontinue the old business entity, and
- register the new business entity by completing a new Form REG-1, Illinois Business Registration Application.

Note: Certificates of registration cannot be transferred.

In addition, you must update your registration information with the Department. MyTax Illinois, available on our website at tax.illinois.gov, allows you to close your existing business and register a new one or to maintain your registered locations. You also can contact our Central Registration Division so that we can update our records. It is important that you update your registration information with us when you go out of business or discontinue a location.

If, outside your usual course of business, you sell or transfer

- the major part of the stock of goods that you are in the business of selling,
- the furniture or fixtures of your business,
- the machinery and equipment of your business, or
- the real property of your business,

you (or the purchaser or transferee) must complete and file Form CBS-1, Notice of Sale, Purchase, or Transfer of Business Assets. Form CBS-1 must be filed no later than ten (10) days after the sale or transfer.

Who do I contact if I have questions about registration?

For registration questions, see our Taxpayer Answer Center, available on our website at tax.illinois.gov. If you cannot find an answer, you can email the Department from the Taxpayer Answer Center. You also can call our Central Registration Division at **217 785-3707**.

Are there other types of taxes or fees for which I may need to register?

If you are registering as a retailer, you will not need to file a separate registration application for other taxes and fees; however, you may need to complete additional information on Form REG-1 depending on the nature and location of your business. Additional information is required for the sales-related taxes and fees listed here:

- **Automobile Renting Occupation and Use Tax (ART)**
You must be registered for this tax if you are in the business of renting automobiles for a period of one year or less. See Publication 114, Automobile Renting Occupation and Use Tax, for more information. Taxpayers registered for ART file Form ART-1, Automobile Renting Occupation and Use Tax Return.
- **County Motor Fuel Tax (CMFT)**
You must be registered for this tax if you sell motor fuel at retail within DuPage, Kane, or McHenry counties. See Publication 115, County Motor Fuel Tax, for more information. Taxpayers registered for CMFT file Form CMFT-1, County Motor Fuel Tax Return.
- **Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax**
You must be registered for this tax if you sell canned or bottled (not fountain) soft drinks at retail in the city of Chicago. See Publication 116, Chicago Soft Drink Tax, for more information. Taxpayers registered for the Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax file Form ST-14, Chicago Soft Drink Tax Return.
- **Metropolitan Pier and Exposition Authority Food and Beverage Tax**
You must be registered for this tax if you sell prepared food and beverages and you are located within the boundaries of the Metropolitan Pier and Exposition Authority (MPEA). See Publication 117, MPEA Food and Beverage Tax, for more information. Taxpayers registered for the MPEA Food and Beverage Tax file Form ST-4, Metropolitan Pier and Exposition Authority Food and Beverage Tax Return.
- **Prepaid Sales Tax (PST)**
You must be registered for this tax if you sell motor fuel in Illinois to retailers. Taxpayers registered for PST file Form PST-1, Prepaid Sales Tax Return.
- **Tire User Fee**
You must be registered for this fee if you sell or deliver tires in Illinois at retail. See Publication 118, Tire User Fee, for more information. Taxpayers registered for the Tire User Fee file Form ST-8, Tire User Fee.

Note: Effective January 1, 2015, leasing companies must file Form LSE-1, Tax Return for Leasing Companies, if they offer for lease for a period of longer than one year a qualifying motor vehicle, titled or registered in Illinois, and under this lease, the customer paid additional taxable amounts that were not included in the original selling price of the motor vehicle at the start of the lease. Qualifying motor vehicles are:

- all first division motor vehicles, including motorcycles; and
- the following second division motor vehicles:
 - those with a gross vehicle weight rating of 8,000 pounds or less;
 - those of a van configuration designed to transport not less than seven or more than 16 passengers; and
 - those which are self-contained and designed or permanently converted to provide living quarters for recreational, camping, or travel use and have direct walk-through access to the living quarters from the driver's seat.

What if I sell items that must be titled and/or registered?

When you tell us that you sell items that must be titled and/or registered (for example, vehicles, watercraft, aircraft, trailers, mobile homes, and ATVs), you will be required to file an additional return for each of these sales — Form ST-556, Sales Tax Transaction Return. Effective January 1, 2015, items sold for lease that must be titled and/or registered are reported on Form ST-556-LSE, Transaction Return for Leases.

Retailers that report transactions on Form ST-556-LSE and Form ST-556 also must file Form ST-1.

Business Requirements for Retailers

Who File Form ST-1

On what sales must I collect and pay Sales and Use Tax?

As a retailer, you must collect and pay tax on all receipts from sales you make of tangible personal property for use or consumption unless the sales are exempt from tax by law.

You must keep documentation in your records to support every exempt sale you make.

What are some common types of sales that are exempt from Sales and Use Tax?

Listed below are some of the most common sales that are exempt from Sales and Use Tax:

- resale;
- interstate commerce;
- manufacturing machinery and equipment;
- graphic arts machinery and equipment (**Expired August 30, 2014**);
- supplemental nutrition assistance program or SNAP (formerly called food stamps);
- enterprise zone;
- high impact business;
- river edge redevelopment zone building materials;
- exempt organizations; and
- newspapers and magazines.

For more information, see Publication 104, Common Sales Tax Exemptions.

What factors determine the rate that applies to the sales I make?

Generally, it is the location of your Illinois business or, if a multiple location filer, your Illinois sites that determine the rate of tax.

The rate of sales tax that applies to retail sales made **within Illinois** varies based on the location of the sale.

For **out-of-state** retailers, if the tangible personal property sold at retail is shipped from an out-of-state location, Illinois use tax rates are 6.25 percent (.0625) for general merchandise or 1 percent (.01) for qualifying food, drugs, and medical appliances. If an out-of-state retailer ships a product from an Illinois warehouse, distribution center, etc., the transaction is subject to sales tax rather than use tax and the Illinois location where the product is shipped from determines the rate of tax.

How do I know what rate to charge?

If you receive a paper return, the rate will be preprinted, and if you make taxable sales from more than one site, the rate for each site will be printed on your Form ST-2, Multiple Site Form.

If the rate is not shown, refer to the **Tax Rate Database** on our website at tax.illinois.gov to verify your rate; call us at **1 800 732-8866** or **217 782-3336**; or call the TDD-telecommunications device for the deaf at **1 800 544-5304**.

What taxes are included in the tax rate?

If you sell **general merchandise**, your tax rate consists of

- the statewide general merchandise tax rate of 6.25 percent (.0625), plus
- any locally-imposed and Department-collected taxes on general merchandise.

If you sell "qualifying" **food, drugs, and medical appliances**, your tax rate consists of

- the statewide food, drugs, and medical appliances tax rate of 1 percent (.01), plus
- any locally-imposed and Department-collected taxes on food, drugs, and medical appliances.

See 86 Illinois Administrative Code Sections 130.310 and 130.311 for more information about what qualifies as food, drugs, and medical appliances.

Depending on the location of your business, the following additional locally-imposed and Department-collected taxes may be included in your tax rate:

- Regional Transportation Authority (RTA) tax rate - taxpayers in Cook, DuPage, Kane, Lake, McHenry, and Will counties
- Metro-East Mass Transit District (MED) tax rate - taxpayers in Madison and St. Clair counties
- DuPage County Water Commission (CWCT) tax rate - certain taxpayers in Cook, DuPage, and Will counties
— CWCT applies to general merchandise only.
- Home-rule, non-home rule, County School Facility, County Public Safety/Public Facilities/Transportation Sales Tax, Metro-East, Park and Recreation District Tax rate - taxpayers within certain units of government.
— Home-rule, non-home-rule, County School Facility/County Public Safety/Public Facilities/Transportation Sales Tax, and Metro-East Park and Recreation District taxes do not apply to the sales of food, drugs, and medical appliances or items that must be titled and/or registered.

Local governments may also impose taxes on either general merchandise or food, drugs, and medical appliances that they administer themselves using a form of their own.

Where can I get a list of sales tax rates?

To find the sales tax rate in your area or anywhere in Illinois, use the **Tax Rate Database** on our website at tax.illinois.gov.

What is Illinois Use Tax?

Use tax is a form of sales tax designed to distribute the tax burden fairly among consumers and ensure fair competition between in-state and out-of-state businesses.

When does an Illinois retailer owe use tax and how is it reported?

For Form ST-1 filers, Illinois law requires you to pay Illinois Use Tax on purchases you made for use or consumption in Illinois and on which you did not pay Illinois Retailers' Occupation Tax (sales or use tax) to the seller. You must report use tax on your Form ST-1.

Businesses that purchase items tax free for use or consumption in Illinois should pay use tax using the Form ST-1 that has a reporting period corresponding to the purchase date of the items for which use tax is due.

Businesses that purchase items tax free for resale and later remove these items from inventory for use or consumption in Illinois should pay use tax using the Form ST-1 that has a reporting period corresponding to the date the item was removed from inventory. The Illinois Use Tax rate is 6.25 (.0625) percent for general merchandise and 1 percent (.01) for food, drugs, and medical appliances. If you paid the correct tax to another state but the tax you paid is lower than the Illinois rate, you must pay us the difference.

What is the Prepaid Wireless E911 Surcharge?

If you make retail sales of prepaid wireless telecommunications service, you must collect and remit the Prepaid Wireless E911 Surcharge unless the sales are exempt from the E911 Surcharge by law. This charge is imposed on the consumer and you the retailer must collect and remit the surcharge. The Prepaid Wireless E911 Surcharge became effective January 1, 2012.

What is prepaid wireless telecommunications service?

Prepaid wireless telecommunications service is a service that is paid for in advance and is sold in predetermined units or dollars. As the predetermined units are used, the amount remaining available for use declines in a known amount. Examples include prepaid calling cards and minutes added to "pay-as-you-go" phones.

When must I collect and pay the surcharge and how is it reported?

You are required to collect and remit the E911 Surcharge only on the portion of the receipt that is from the retail transaction of prepaid wireless telecommunications service. Receipts from sales of other tangible personal property are not subject to the surcharge. If you sell services subject to the E911 Surcharge that are bundled with other tangible personal property, but you do not separate those services from the other items on the receipt or invoice, or if you do not otherwise document the separation in your records, the entire sale is subject to the E911 Surcharge. Retailers must disclose the surcharge by separately stating the figure on the receipt or invoice or through other documentation. Retailers' records must clearly identify the surcharge for retail transactions. You must report the E911 Surcharge on Form ST-1 for each reporting period when a retail transaction of prepaid wireless telecommunications service takes place.

What E911 Surcharge rate will I collect?

If you make sales of prepaid wireless telecommunications service, collect the Prepaid Wireless E911 Surcharge at 9 percent (.09) for Chicago locations. For non-Chicago locations in Illinois, collect the Prepaid Wireless E911 Surcharge at 3 percent (.03).

Note: Prior to October 1, 2014, the Prepaid Wireless E911 Surcharge for Chicago locations was 7 percent (.07). Prior to October 1, 2015, the Prepaid Wireless E911 Surcharge for non-Chicago locations was 1.5 percent (.015). The rate increase bringing the E911 Surcharge rate to 9 percent for the city of Chicago is only effective through June 30, 2017. On July 1, 2017, the E911 Surcharge rate for the city of Chicago is scheduled to revert back to 7 percent.

How am I notified of E911 Surcharge rate changes?

The Department posts E911 Surcharge rate changes on our website at tax.illinois.gov no later than 30 days in advance of the effective date of the change.

What form must I use to report Sales and Use Tax and E911 Surcharge?

All retailers must file Form ST-1, Sales and Use Tax and E911 Surcharge Return, for each reporting period and pay the tax and E911 Surcharge collected from retail sales made and any use tax owed for purchases made. If you are registered as a reseller, you are not required to file Form ST-1.

How do I file if I have more than one site?

If you make retail sales from more than one location (site), you will be registered as a multiple site filer. You must complete and file Form ST-2, Multiple Site Form, to report specific tax information for each site. If you are registered as a direct pay filer, you must complete and file Form ST-2-DP, Direct Pay Multiple Site Form. If you are registered as a temporary storage filer, you must complete and file Form ST-2-TS, Temporary Storage Multiple Site Form.

Must I file Form ST-1 even if I have no sales or purchases to report?

Yes. You must file a processable (signed) Form ST-1 for each reporting period regardless of whether there are receipts or purchases to report. If you have no receipts to report, you must file a "zero" return.

When is my return and payment due?

You must file your Form ST-1 and pay any tax and E911 Surcharge due on or before the 20th day of the month following the end of the reporting period. Due dates that fall on Saturdays, Sundays, and state of Illinois holidays are moved to the next business day.

For most taxpayers, the reporting period is over at the end of the month and the return is due on or before the 20th day of the month following the end of the reporting period.

Some taxpayers qualify to file only four times a year (quarterly). These taxpayers' returns are due on the 20th day of the month following the end of the calendar quarter. Still other taxpayers qualify to file only once a year (annually). These taxpayers' returns are due on the 20th day of January following the end of the calendar year.

Upon registration, you will be required to file either monthly or quarterly. We review accounts annually and will notify you if your filing status changes.

Taxpayers whose average tax due on Form ST-1 is at least \$20,000 a month must make four tax payments each month and must make them electronically. Payments are due on the 7th, 15th, 22nd, and last day of the month. We will notify you if you meet this requirement. At the time of notification, we will send you information explaining specific filing requirements.

Is there an incentive for paying the tax or E911 Surcharge I have collected on time?

Yes. If you file your return and pay the tax on time, you are allowed to take a discount of 1.75 percent (.0175) of the tax you collected on receipts from sales of tangible personal property.

If you file your return and pay the E911 Surcharge on time, you are allowed to take a 3 percent (.03) discount of the E911 Surcharge you collected from consumers.

How do I file my return?

You can file Sales and Use Tax returns electronically using MyTax Illinois, the Department's online account management system, available on our website at tax.illinois.gov.

MyTax Illinois allows taxpayers to file Forms ST-1, ART-1, CMFT-1, PST-1, ST-4, ST-8, ST-14, ST-556, ST-556-LSE, and LSE-1. MyTax Illinois also allows Form ST-1 filers to file electronically with special attachments, such as Schedules ST-2-DP, Direct Pay Multiple Site Form, and ST-2-TS, Expanded Temporary Storage Multiple Site Form, as well as special credits, such as prepaid sales tax credit from Form PST-2, Prepaid Sales Tax Statement of Tax Paid.

Forms ST-1 and ST-2 also can be electronically filed using software you write or that you buy or use from an accepted vendor (third party). Visit our website at tax.illinois.gov for a list of vendors that have been approved to electronically submit these forms. These vendors may charge a transaction fee. If you electronically file using your own software, you must first obtain Department approval.

For paper forms, mail your return to the address on the form. If no address is available, mail your Form ST-1 to:

**ILLINOIS DEPARTMENT OF REVENUE
RETAILERS OCCUPATION TAX
SPRINGFIELD IL 62796-0001**

If you are responsible for filing tax returns other than Form ST-1, do not mail these returns to the same address you use for your Form ST-1. Instead, you can file using MyTax Illinois or mail your other return separately, sending it to the appropriate address on the form. We also provide a list of mailing addresses on our website at tax.illinois.gov.

What if I do not file and pay by the due date?

If you do not file your return and pay tax and E911 Surcharge due by the due date, you will be assessed for any tax and E911 Surcharge due (including any portion of the discount for timely filing that we have disallowed) plus penalty and interest. For detailed information about the penalties and interest that may apply, see Publication 103, Penalties and Interest for Illinois Taxes.

When sent through the U.S. mail, items filed with and payments made to the Illinois Department of Revenue are considered to be filed and received by the Department on the date of the post office cancellation mark. Private postage meters are not used to establish the date of receipt. However, if you are mandated to pay electronically and instead send a payment through the mail, the date we receive the payment in hand, rather than the postmark date, is used to determine timeliness.

If items are filed with or payments made to the Illinois Department of Revenue but are not sent through the U.S. mail, they are considered to be filed on the date the Department receives them.

Can I pay electronically?

You can use MyTax Illinois, the Department's online account management system, available on our website at tax.illinois.gov, to make electronic payments.

The **Electronic Funds Transfer (EFT)** program also allows you to make payments electronically. Instead of writing a check for the amount due, financial institutions are instructed to transfer the funds from your account to ours. We then apply the transferred amount to your liability. All participants in the EFT program must complete and sign Form EFT-1, Authorization Agreement for Certain Electronic Payments. You must first complete Form EFT-1 and receive our approval to participate.

Taxpayers whose average tax due on Form ST-1 is at least \$20,000 annually must make payments electronically. We will notify you by August 1 if you are required to make payments electronically. At the time of notification, we will send you information explaining specific payment requirements.

What if I collect tax or E911 Surcharge at a higher rate than I am required to collect?

If you do not refund the overcollected tax or E911 Surcharge to your customer, you will need to report any overcollected tax and E911 Surcharge on the excess tax and excess surcharge collected line of Form ST-1. If you refund the overcollected tax and E911 Surcharge after you have filed your return, you will need to file Form ST-1-X, Amended Sales and Use Tax and E911 Surcharge Return, to receive your credit.

What if I make a mistake on my return?

If, after you file your Form ST-1, you find you made a mistake that resulted in an overpayment or an underpayment, or you forgot to send any necessary attachments, you must file Form ST-1-X. If you filed Form ST-1 electronically using MyTax Illinois, you can use that system to also file your Form ST-1-X. Otherwise, you must file a paper Form ST-1-X. Forms are available on our website at tax.illinois.gov.

For help, visit our website at tax.illinois.gov or call weekdays between 8 a.m. and 5 p.m. at **1 800 732-8866** or **217 782-3336**. The number for our TDD (telecommunications device for the deaf) is **1 800 544-5304**.

If you have a specific question about an amended return you have already filed, call us at **217 782-5906**.

Keeping Complete and Accurate Records

What records must I keep?

As a retailer, you must keep

- records of all sales and purchases you make;
- documents about inventory changes, shipments, or other transactions;
- accounts receivable records;
- accounts payable records;
- summaries or ledger accounts;
- records or working papers that are used in the preparation of your tax returns; and
- a copy of the tax returns you file.

What records must I keep about the sales and purchases I make?

At minimum, you must keep

- the cash register tapes and other data that provide a daily record of the gross amount of sales;
- a record of the merchandise purchased, such as the vendor's invoices or purchase orders; and
- a yearly inventory of the value of the stock on hand.

These records must distinguish taxable from non-taxable sales. You must keep these records for all sales, regardless of whether you believe they are taxable.

What records are required to support a deduction taken on my return for an exempt sale?

In general, in order to support each deduction, your records must include

- the purchaser's name and address;
- the character of each transaction (for example, a sale for resale or to an exempt organization, etc.);
- the date of each transaction;
- the amount of receipts from each transaction; and
- any other information that establishes the non-taxable nature of the transaction.

Information about the most common exemptions and specific record-keeping requirements that apply to them is provided in Publication 104, Common Sales Tax Exemptions.

Must I maintain my records on paper?

No. You can also maintain records electronically. Your system must include a method to produce legible and readable records necessary to verify liability. For more information, see 86 Illinois Administrative Code Section 130.805.

How long must I keep records?

In general, you must keep records that document receipts for the reporting period covered by your return for three and one-half years after you have filed an original or amended return.

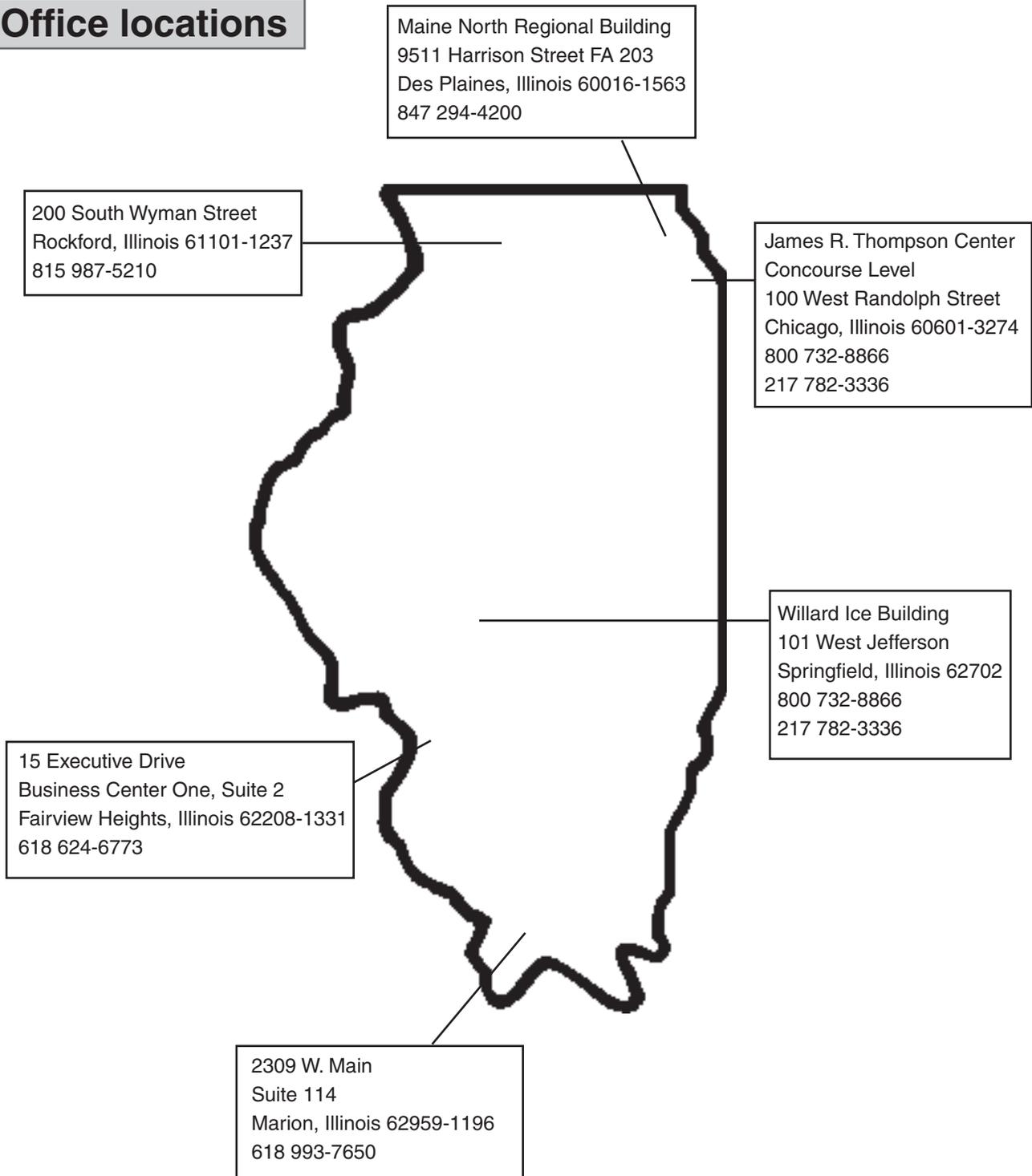
If a Notice of Tax Liability or Final Notice of Tax Due has been issued, you must keep records that document receipts for the reporting period for which the notice was issued. Keep these records until the liability has been finalized or discharged.

Are there any other requirements?

Your records must

- be available for inspection by the Illinois Department of Revenue during normal business hours;
- be kept in the English language;
- be kept in Illinois unless you have received written permission from us to keep them in another location; and
- contain information regarding the deductions you claim.

Office locations



For information or forms

Visit our website at tax.illinois.gov

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.