



ST-1 Instructions

General Information

Who must file Form ST-1?

You must file Form ST-1, Sales and Use Tax and E911 Surcharge Return, if you are making retail sales of any of the following in Illinois:

- general merchandise,
- qualifying foods, drugs, and medical appliances, and/or
- prepaid wireless telecommunications service.

“**General merchandise**” includes sales of most tangible personal property including sales of

- soft drinks and candy;
- prepared food such as food purchased at a restaurant;
- photo processing (getting pictures developed);
- prewritten and “canned” computer software;
- prepaid telephone calling cards and other prepaid telephone calling arrangements;
- repair parts and other items transferred or sold in conjunction with providing a service under certain circumstances based on the actual selling price; and
- grooming and hygiene products.

See 86 Ill. Adm. Code Part 130 for more information on general merchandise.

“**Qualifying food, drugs, and medical appliances**” include

- food that has not been prepared for immediate consumption, such as most food sold at grocery stores, excluding hot foods, alcoholic beverages, candy, and soft drinks;
- prescription medicines and nonprescription items claimed to have medicinal value, such as aspirin, cough medicine, and medicated hand lotion, excluding grooming and hygiene products; and
- prescription and nonprescription medical appliances that directly replace a malfunctioning part of the human body, such as corrective eyewear, contact lenses, prostheses, insulin syringes, and dentures.

See 86 Ill. Adm. Code Part 130 for more information on qualifying food, drugs, and medical appliances.

“**Prepaid wireless telecommunications service**” includes sales of

- prepaid telephone calling cards and other prepaid telephone calling arrangements, and
- the minutes for “pay-as-you-go” phones.

When must I file my return?

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.

The Department determines how often you must file a return based on your initial registration and annual liability. Filing requirements based on your average monthly liability are determined as follows:

If your average monthly liability is

- greater than \$200, the Department may notify you that your filing frequency has been changed to a monthly requirement.
- between \$50 and \$200, the Department may notify you that your filing frequency has been changed to a quarterly requirement.
- less than \$50, the Department may notify you that your filing frequency has been changed to an annual requirement.

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

Can I file this return and pay the tax due electronically?

Yes, you can use MyTax Illinois on our website at tax.illinois.gov to file your Form ST-1. MyTax Illinois also allows for electronic payment of any tax due.

You can also file Form ST-1 using a direct file service through an outside vendor.

What if I have multiple sites?

If you have one business but sell items at more than one location (site), you must collect and remit sales and use taxes according to the rates of each particular location. You must complete and attach Form ST-2, Multiple Site Form, to your Form ST-1 to show the breakdown of taxes collected and paid from each site.

MyTax Illinois allows users to calculate their tax due for each location on Form ST-2, Multiple Site Form, and combine their liability on a single Form ST-1.

How can I find out what tax, surcharge, and assessment rates I should be collecting?

If you file electronically using MyTax Illinois, the rates will be populated for you according to your registration. You can also use the **Tax Rate Database** on our website at tax.illinois.gov to look up location-specific tax rates. Depending upon the location of the sale, the actual sales tax rate may be higher than the state rate of 6.25 percent (1.00 percent for qualifying food, drugs, and medical appliances) because of home rule, non-home rule, mass transit, park district, flood prevention district, county public safety, public facilities or transportation, and county school facility tax. The E911 Surcharge has two different rates, one for Chicago locations and one for non-Chicago locations. These rates can also be found on the Tax Rate Database on our website. The ITAC Assessment rate is a competitively neutral rate set by the Illinois Commerce Commission. It changes annually on July 1. Use the Tax Rate Database, available on our website at tax.illinois.gov to determine the current rate.

What if I add or discontinue one of my sites or change locations?

MyTax Illinois allows users to correct, add, or delete their location information. You also can contact us by calling

217 785-3707 or writing to:

CENTRAL REGISTRATION DIVISION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19030
SPRINGFIELD IL 62794-9030

It is important to keep your registration information updated so your returns will include the correct tax rates.

What if I need help?

If you need help, call us at **1 800 732-8866** or **217 782-3336**, call our TDD-telecommunications device for the deaf at **1 800 544-5304**, or visit our website at tax.illinois.gov.

Specific Instructions

When completing this form, please round to the nearest dollar by dropping amounts of less than 50 cents and increasing amounts of 50 cents or more to the next higher dollar.

Step 1: Alcoholic Liquor Purchases

Line A, Total dollar amount of alcoholic liquor purchased

(invoiced and delivered) — If you are a liquor store, tavern, or a restaurant that sells alcohol and you are not required to remit quarter-monthly payments, you must report the total dollar amount of all alcoholic liquor invoiced and delivered during the liability period, regardless of when you actually remit payment to your distributor. By the 10th day of each month, each of your distributors should give you a statement that identifies the total amount purchased during the previous month. This statement may be a summary for the month on the bottom of each of your invoices or on a separate report.

Note: Liquor distributors will report to us the value of alcoholic beverages invoiced and delivered to each retailer the previous month.

If you are **not** required to report your purchases, go to Step 2.

Step 2: Taxable Receipts

Line 1 - Enter the amount you received from all sales of merchandise and service, including service charges, E911 Surcharge, ITAC Assessment and taxes collected. Do not include purchases of merchandise on which you are paying use tax in Step 5.

Note: You must include the county motor fuel tax imposed in DuPage, Kane, and McHenry counties in Line 1.

Line 2 - Enter the total amount of deductions from Line 30 of Schedule A located on the back of Form ST-1. The amount of deductions on Line 2 cannot be more than the total receipts you entered on Line 1. If so, you must file a claim for credit on Form ST-1-X, Amended Sales and Use Tax and E911 Surcharge Return, for the month you originally reported the sale.

Line 3 - Subtract Line 2 from Line 1.

Step 3: Tax on Receipts

If you report for multiple sites, you must use Form ST-2, Multiple Site Form.

Sales from locations within Illinois

Note: If you are a multiple site retailer or serviceperson who also has out-of-state locations, see the instructions for Lines 6a and 7a.

Line 4a - General merchandise base

Enter the portion of Line 3 that you received from sales of general merchandise, plus the amount you received from the general merchandise you sold in performing your service.

Line 4b - Multiply Line 4a by the tax rate.

Line 5a - Food, drugs, and medical appliances base

Enter the portion of Line 3 that you received from your sales of qualifying food, drugs, and medical appliances, plus the amount you received from the qualifying food, drugs, and medical appliances you sold in performing your service.

Line 5b - Multiply Line 5a by the tax rate.

Sales from locations outside Illinois

Line 6a - General merchandise base

Enter the portion of Line 3 that you received from general merchandise you sold to users in Illinois, plus the amount you received from general merchandise you sold for use in Illinois in performing your service.

Line 6b - Multiply Line 6a by the tax rate.

Line 7a - Food, drugs, and medical appliances base

Enter the portion of Line 3 that you received from qualifying food, drugs, and medical appliances you sold to users in Illinois, plus the amount you received from qualifying food, drugs, and medical appliances you sold for use in Illinois in performing your service.

Line 7b - Multiply Line 7a by the tax rate.

Sales at prior rates

Line 8a - Receipts taxed at other rates base

Enter on this line **only** the receipts from sales of merchandise and service you made at rates different from the rates printed in Lines 4a, 5a, 6a, and 7a. If you need instructions on how to report receipts from current sales that you believe are taxable at a different rate, call us at one of the numbers listed in the "What if I need help?" section on the general information page.

Line 8b - Multiply each amount in Line 8a by the correct tax rate, add the results, and enter the total on Line 8b.

Note: Check your math. Lines 4a + 5a + 6a + 7a + 8a must equal Line 3.

Line 9 - Add Lines 4b, 5b, 6b, 7b, and 8b.

Step 4: Retailer's Discount and Net Tax on Receipts

Line 10 - If this return is electronically filed, postmarked, or delivered and the tax is paid by the due date, you are entitled to a discount. Multiply Line 9 by the percentage printed in Line 10.

Line 11 - Subtract Line 10 from Line 9.

Step 5: Tax on Purchases

Note: The figures you enter on Lines 12a, 13a, and 14a should not include amounts already contained in Lines 4a through 8a. Do not include tax in these lines.

Line 12a - General merchandise base

Enter the sum of

- your cost of the general merchandise you purchased to use from an out-of-state retailer who did not collect Illinois tax from you,
- your cost of general merchandise you purchased tax free to sell at retail, but instead used or consumed it yourself,
- your cost of general merchandise you purchased tax free to sell in performing your service, but instead used or consumed it yourself, or transferred subject to use tax, and
- your cost of general merchandise an out-of-state serviceperson used in performing a service for you, if Illinois tax was not paid.

Line 12b - Multiply Line 12a by the tax rate.

Line 13a - Food, drugs, and medical appliances base

Enter the sum of

- your cost of the qualifying food, drugs, and medical appliances you purchased to use from an out-of-state retailer who did not collect Illinois tax from you,
- your cost of the qualifying food, drugs, and medical appliances you purchased tax free to sell at retail, but instead used or consumed it yourself,
- your cost of the qualifying food, drugs, and medical appliances you purchased tax free to sell in performing your service, but instead used or consumed it yourself, or transferred subject to use tax, and
- your cost of the qualifying food, drugs, and medical appliances an out-of-state serviceperson used in performing a service for you, if Illinois tax was not paid.

Line 13b - Multiply Line 13a by the tax rate.

Line 14a - Purchases taxed at other rates base

Enter the total of all purchases you made at rates different from the rates printed in Lines 12a and 13a. This includes

- your cost of the general merchandise and qualifying food, drugs, and medical appliances on which you paid tax to another state at a rate lower than Illinois tax rates, and
- your cost of the general merchandise and qualifying food, drugs, and medical appliances an out-of-state serviceperson used in performing a service for you, if Illinois tax was not paid.

Line 14b - Multiply each amount in Line 14a by the correct rate, add the results, and enter the total on Line 14b.

Line 15 - Add Lines 12b, 13b, and 14b.

Step 6: Net tax due

Line 16 - Add Lines 11 and 15.

Line 16a - Enter the total amount of Manufacturer's Purchase Credit (MPC) that you are using. This amount should include any MPC you have received from your customers plus any MPC of your own that you are using to satisfy use tax on qualifying purchases for the current liability period.

Line 17 - Complete Line 17 **only if** you prepay Illinois sales tax on motor fuel. Enter the amount of sales tax you prepaid on motor fuel by adding the total from the PST-2, Prepaid Sales Tax Statement of Tax Paid, forms you are attaching to this return.

Line 18 - Complete Line 18 **only if** you made quarter-monthly (accelerated) payments. Include on this line any prior overpayment credit that you used to make these payments.

Line 19 - Add Lines 16a, 17, and 18.

Line 20 - Subtract Line 19 from Line 16.

Step 7: Payment due

Line 21 Enter the total amount of E911 Surcharge and ITAC Assessment from Line 10 of Schedule B located on the back of Form ST-1.

Line 22 - If you collected more tax, E911 Surcharge, or ITAC Assessment than is due, enter your total excess tax, excess surcharge, and excess assessment collected.

Line 23 - Add Lines 20, 21 and 22.

Line 24 - 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 25 - Subtract Line 24 from Line 23. This is the amount of tax, E911 Surcharge, and ITAC Assessment that you owe.

Step 8: 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.

Send your return and remittance to:

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

Schedule A Instructions

Total deductions claimed cannot be more than the total receipts, including Prepaid Wireless E911 Surcharge, ITAC Assessment, and tax, on Line 1 of the ST-1 return.

When completing this schedule, please round to the nearest dollar by dropping amounts of less than 50 cents and increasing amounts of 50 cents or more to the next higher dollar.

Line 1 - Taxes collected on general merchandise sales and service

Enter the amount of tax you collected on your retail sales of general merchandise and tax you collected on general merchandise you sold in performing service. This includes food sold for immediate consumption, such as food sold at a restaurant.

Line 2 - Taxes collected on food, drugs, and medical appliances sales and service

Enter the amount of tax you collected on your retail sales of qualifying food, drugs, and medical appliances and tax you collected on qualifying food, drugs, and medical appliances you sold in performing service.

Line 3 - E911 Surcharge and ITAC Assessment collected

Enter the amount of E911 Surcharge and ITAC Assessment you collected on your retail sales of prepaid wireless telecommunications service.

Line 4 - Resale

Enter the amount you collected from the items you sold to someone who will resell those items at retail. For each sale for resale you make, the buyer must give you an Illinois certificate of resale or have a blanket certificate of resale on file with you.

Line 5 - Interstate commerce

Enter the amount you collected from merchandise you sold that was **shipped or delivered by you** outside Illinois.

Line 6 - Manufacturing machinery and equipment (including photoprocessing)

Enter the amount you collected from the sale of qualifying machinery and equipment (including repair and replacement parts) that produce items to be sold.

Line 7 - Farm machinery and equipment

Enter the amount you collected from qualifying farm machinery and equipment (including repair and replacement parts) you sold for use in production agriculture.

Line 8 - Graphic arts machinery and equipment

Enter the amount you collected from qualifying graphic arts machinery and equipment (including repair and replacement parts).

Note: This exemption expired August 30, 2014.

Line 9 - Supplemental Nutrition Assistance Program (SNAP - formerly called food stamps)

Enter the amount you collected from customers who used SNAP benefits.

Line 10 - Enterprise zone

a) Sales of building materials

Enter the amount you collected from sales of building materials to a customer who will incorporate those materials into an enterprise zone certified by the Illinois Department of Commerce and Economic Opportunity (DCEO). You must maintain in your books and records the documentation obtained from the customer and required by the Department's rules to support the exemption.

b) Sales of items other than building materials

Enter the amount you collected from sales of items other than building materials to a business certified by DCEO to buy consumables tax free. You must maintain in your books and records the documentation obtained from the customer and required by the Department's rules to support the exemption.

This amount can include, but is not limited to:

- tangible personal property used or consumed in the operation of pollution control facilities.
- tangible personal property used or consumed within an enterprise zone in the process of manufacturing or assembly of tangible personal property for wholesale or retail sale or lease.
- tangible personal property used or consumed within an enterprise zone in the process of graphic arts production if used or consumed at a certified facility, including repair and replacement.
- machinery and equipment used in the operation of a high impact service facility within the enterprise zone.
- jet fuel used in the operation of high impact service facilities.
- machinery and equipment used in the operation of an aircraft maintenance facility located within an enterprise zone.

Line 11 - High Impact Business

a) Sales of building materials

Enter the amount you collected from sales of building materials to a customer who will incorporate those materials into a high impact business location certified by the DCEO.

b) Sales of items other than building materials

Enter the amount you collected from sales of items other than building materials to a business certified by DCEO as a high impact business.

This amount can include, but is not limited to, tangible personal property used or consumed:

- by a high impact business in the process of manufacturing or assembly of tangible personal property for wholesale or retail sale or lease.
- by a high impact business in the process of graphic arts production if used or consumed at a certified facility, including repair and replacement.

Line 12 - River edge redevelopment zone building materials

Enter the amount you collected from sales of building materials to a customer who will incorporate the materials into real estate within a River Edge Redevelopment Zone in accordance with the Act by remodeling, rehabilitating, or adding new construction.

Line 13 - Exempt organizations

Enter the amount you collected from merchandise you sold to organizations that are exempt from paying sales tax. For each tax-exempt sale you make, you must obtain a copy of the organization's Illinois Sales Tax exemption identification number.

Note: Do not include motor fuel taxes reported on Line 16 or Section 2.

Line 14 - Tax paid on uncollectible debt

Enter the amount of tax previously paid that is represented by amounts that have become worthless or uncollectible. You must have charged off the uncollectible amounts as bad debt in your records in accordance with generally accepted accounting principles and have claimed the uncollectible amounts as a deduction pursuant to Section 166 of the Internal Revenue Code on your federal income tax return.

Line 15 - Sales of service

Enter the total of any portion of all service transactions on which you did not charge your customers tax. Identify on the line provided the type of transaction that took place. Some examples of these are transactions made by dry cleaners, hairdressers, medical professionals, pharmacists, and other servicepersons.

Line 16 - Other

Identify other deductions. Enter the amount you collected from the sale of the deductions you listed.

This amount can include:

- cash refunds — enter the amount of cash refunds you made to customers for merchandise they returned and on which you have paid tax to us during the preceding return period or have now included on Line 1 of your Form ST-1. **Note:** This amount should not include the tax amount from the returned item.
- newspaper and magazine sales — enter the amount you collected from your sales of newspapers, magazines, and other periodicals.
- proceeds of mandatory service charges separately stated on customers' bills for purchase and consumption of food and beverages, to the extent that the proceeds of the service charge are in fact turned over as tips or as a substitute for tips to employees who participate directly in preparing, serving, hosting, or cleaning up the food or beverage function with respect to which the service charge is imposed.
- other deductions allowed in the Acts not listed on Lines 1 through 15 or Section 2.

Line 17 - Total taxes and miscellaneous deductions

Add the amounts on Lines 1 through 16, and enter the total.

Lines 18 through 22 - State motor fuel tax

For each type of fuel, enter the number of gallons you sold. Multiply the number of gallons by the state tax rate printed on Lines 18 through 22 of Schedule A, and enter the total for each type of fuel.

Note: The county motor fuel tax imposed in DuPage, Kane, and McHenry counties must be included in the gross receipts on Line 1 of your return. These taxes are not authorized deductions from your gross receipts. Report any other local motor fuel taxes on Line 16, "Other." Do not include them on Lines 18 through 22.

Lines 23 through 28 - Specific fuels sales tax exemptions

Subtract all motor fuel taxes and all state and local sales taxes from the amount you received for the specific fuel types listed. Multiply your receipts for each type of fuel by its corresponding rate on Schedule A, and enter the total for each type of fuel.

Note: On Lines 23 and 24, do not include receipts from sales that are not subject to sales tax.

Line 29 - Total motor fuel deductions

Add the amounts on Lines 18b through 27b and 28, and enter the total.

Line 30 - Total deductions

Add the amounts on Lines 17 and 29, and enter this amount on Line 30 and on Step 2, Line 2 of Form ST-1.

Note: This amount cannot exceed the amount reported on Line 1 of your ST-1 return.

Schedule B Instructions

When completing this schedule, please round to the nearest dollar by dropping amounts of less than 50 cents and increasing amounts of 50 cents or more to the next higher dollar.

Line 1 - Enter the total receipts from retail transactions of prepaid wireless telecommunications service. **Note:** Do not complete Schedule B in the same manner that you complete Step 2 of Form ST-1. Instead Line 1 of Schedule B should only report your receipts subject to the E911 surcharge and ITAC Assessment, not all amounts collected for the reporting period. Do not include receipts from sales that are exempt from the E911 surcharge and ITAC Assessment. Also do not include the amount of surcharge and assessment you actually collected from your customers.

Figure your breakdown of retail transactions for Chicago locations

Locations within the city limits of Chicago are considered Chicago locations for purposes of E911 Surcharge and ITAC Assessment collections.

Line 2a - Enter the portion of Line 1 receipts that were collected from retail transactions of prepaid wireless telecommunications service at Chicago locations.

Line 2b - Multiply Line 2a by the combined E911 Surcharge and ITAC Assessment rate for Chicago locations.

Note: The current E911 rate for Chicago locations is 9 percent (.09). The ITAC Assessment rate is .07 percent (.0007). The combined rate for Chicago locations is 9.07 percent (.0907).

Line 3a - Enter the portion of Line 1 receipts that were collected from retail transactions of prepaid wireless telecommunications service at Chicago locations at rates different from the Chicago locations included on Line 2a. This line will only be used if a rate change should occur and you are remitting E911 Surcharge or ITAC Assessment for receipts that were subject to the rate prior to the change.

Line 3b - Multiply Line 3a by the combined E911 Surcharge and ITAC Assessment rate.

Note: Prior to October 1, 2014, the Prepaid Wireless E911 Surcharge for Chicago locations was 7 percent (.07). 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.

Line 4 - Add Lines 2b and 3b.

Figure your breakdown of retail transactions for non-Chicago locations

Line 5a - Enter the portion of Line 1 receipts that were collected from retail transactions of prepaid wireless telecommunications service at non-Chicago locations.

Line 5b - Multiply Line 5a by the combined E911 Surcharge and ITAC Assessment rate for non-Chicago locations.

Note: The current E911 rate for non-Chicago locations is 3 percent (.03). The ITAC Assessment rate is .07 percent (.0007). The combined rate for non-Chicago locations is 3.07 percent (.0307).

Line 6a - Enter the portion of Line 1 receipts that were collected from retail transactions of prepaid wireless telecommunications service at non-Chicago locations at rates different from the non-Chicago locations included on Line 5a. This line will only be used if a rate change should occur and you are remitting E911 Surcharge or ITAC Assessment for receipts that were subject to the rate prior to the change.

Line 6b - Multiply Line 6a by the combined E911 Surcharge and ITAC Assessment rate.

Note: Prior to October 1, 2015, the Prepaid Wireless E911 Surcharge for non-Chicago locations was 1.5 percent (.015).

Line 7 - Add Lines 5b and 6b.

Line 8 - Add Lines 4 and 7.

Line 9 - If Form ST-1 is electronically filed, postmarked, or delivered and the surcharge and assessment is paid by the due date, you are entitled to a discount. Multiply Line 8 by the percentage printed in Line 9.

Line 10 - Subtract Line 9 from Line 8 and enter this amount on Line 10 and on Step 7, Line 21 of Form ST-1.