

Illinois Department of Revenue  
101 West Jefferson Street  
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY86-25

TO: All Retailers Located Within the Corporate Limits of the Village of Bourbonnais, Village of Bradley, City of Kankakee, and the Unincorporated Area of Kankakee County

SUBJECT: Illinois Enterprise Zone Act  
Public Act 82-1019 (SB 1299)  
Public Act 84-221 (HB 833)

If your business does not sell building materials, please disregard this bulletin.

The Illinois Department of Commerce and Community Affairs has certified an area in the Village of Bourbonnais, the Village of Bradley, the City of Kankakee, and the unincorporated area of Kankakee County as the Kankakee River Valley Enterprise Zone in accordance with the provisions of Public Act 82-1019.

Each of these local taxing jurisdictions has adopted an ordinance providing sales tax relief on certain sales of building materials which will be incorporated into real estate in the Enterprise Zone.

To be eligible, you for sales tax relief you must be located in the Village of Bourbonnais, the Village of Bradley, the City of Kankakee, or the unincorporated area of Kankakee County, and make a sale of building material which will be incorporated into real estate in the enterprise zone by remodeling, rehabilitation or new construction.

Note: The building improvement must be of the nature and scope for which a building permit is required by the building code and the building permit must have been issued.

HOW TO REPORT ENTERPRISE ZONE SALES MADE ON OR AFTER SEPTEMBER 1, 1985

You must report receipts from these sales on line 1 of your sales tax return (Form RR-1-A) and deduct them on line 14. Be sure to identify the deduction as "enterprise zone sales." Also, you must keep in your records a statement from the purchaser indicating that the building materials qualify for the tax exemption (see Purchaser's Statement in this bulletin) and copy of the building permit stamped "enterprise zone." Please do not send us the purchaser's statements or the building permits unless we specifically ask for them.

HOW TO REPORT ENTERPRISE ZONE SALES MADE BEFORE SEPTEMBER 1, 1985

The law concerning sales made before September 1 requires a different

reporting procedure. For these sales, you must initially pay the tax with your tax return and then file a claim for credit to recoup the tax. Here is how to do it:

1. Report gross receipts from your "enterprise zone sales" on line 1 of your tax return (Form RR-1-A);
2. Pay all taxes due;
3. Unconditionally refund tax to the purchaser or otherwise demonstrate that you (the retailer) bore the burden of the tax; and
4. File Claims for Credit (on Form RCR-21 for state tax; RCR-22 for municipal tax) with the Department of Revenue.

To substantiate your claim, you must send with it the following:

- A. A copy of the invoice, showing type of material, price, and sales tax charged.
- B. A statement signed by the purchaser, that the material qualifies for enterprise zone tax relief (see Purchaser's Statement in this bulletin);
- C. A copy of the cancelled check, credit memorandum, or "instant refund" showing tax refunded to the purchaser (see reverse side for sample of "instant refund").

#### FOR MORE INFORMATION

If you have any questions regarding this sales tax exemption, please call or write us. Our address and telephone number are at the top of this bulletin.

J. Thomas Johnson  
Director of Revenue

Issued: October 1985

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