



# Illinois Department of Revenue

# 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:  
**www.ILtax.com**
- Call our 24-hour  
Forms Order Line at:  
**1 800 356-6302**

This bulletin is written to  
inform you of recent  
changes; it does not replace  
statutes, rules and regula-  
tions, or court decisions.

## Chicago Home Rule Sales and Use Tax Rate Change

To:

All Retailers and Servicepersons Located in the City of Chicago  
Who File Form ST-1, and

All Retailers Located in Chicago or Any Other Location Within  
Cook, DuPage, Kane, Lake, McHenry, or Will County Who File  
Form ST-556

Effective **July 1, 2005**, Chicago's  
home rule sales and use tax rates  
have changed.

- ◆ The sales tax rate applies to the  
sales of general merchandise from  
locations in Chicago.
- ◆ The use tax rate applies to the  
sale of items required to be titled  
and registered by an agency of  
Illinois state government if the item  
will be titled and registered to an  
address that is within the corporate  
limits of the city of Chicago.

The new tax rate for both sales and  
use tax is 1.25%, an increase of  
0.25%.

### To: ST-1 filers making sales from a Chicago location

The new Chicago Home Rule Sales  
Tax rate for general merchandise must  
be included in the combined rate that  
you collect and report on your Form  
ST-1, Sales and Use Tax Return.

The new combined rate will be pre-  
printed on Line 4a of Form ST-1, Sales  
and Use Tax Return, or Form ST-2,  
Multiple Site Form, as a total general  
merchandise rate.

If your business site is in a portion of  
Chicago located in Cook County, your  
total state and local combined tax rate  
is **9.00%**.

If your business site is in a portion of  
Chicago located in DuPage County,  
your total state and local combined tax  
rate is **7.75%**.

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

If you use software to create the forms  
you file, that software must also be  
adjusted. You may need to contact your  
software vendor.

For a complete listing of statewide sales  
tax rates, see the July 1, 2005, version  
of our Publication ST-25, Illinois Sales  
Tax Rate Reference Manual. This  
publication is available on our web site at  
[www.state.ILtax.com](http://www.state.ILtax.com).



**What is taxed?**

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.

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

**How do I report a sale that was delivered earlier and taxed at a different rate?**

If the original sale 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.

**To: ST-556 filers****making sales from Chicago or any other location within Cook, DuPage, Kane, Lake, McHenry, or Will County**

You must collect Chicago's home rule use tax on sales of items that will be titled and registered to an address that is within the corporate limits of the city of Chicago.

For the ST-556 forms that you have on hand, for sales made on or after July 1, 2005, you will need to add the additional 0.25% to the rate that is preprinted below Line 4 of your Form ST-556.

When you receive ST-556 forms that are printed after July 1, 2005, the new combined rate will be reflected in the rate preprinted below Line 4 of Form ST-556.

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

If you use software to create the forms you file, that software must also be adjusted. You may need to contact your software vendor.

\* 86 Ill. Adm. Code 130.310