



*i*nformational

Bulletin

Constance Beard, Director

Sales Tax Exemption for Expanded Temporary Storage Expires

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

To: All expanded temporary storage permit holders and all retailers and servicepersons filing Form ST-1, Sales and Use Tax and E911 Surcharge Return

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

The sales tax exemption for expanded temporary storage expires **June 30, 2016**. On or after **July 1, 2016**, holders of expanded temporary storage permits issued by the Illinois Department of Revenue no longer can make tax-free purchases of tangible personal property using their expanded temporary storage permits.

As a retailer, should I continue to allow existing expanded temporary storage holders to make tax-free purchases?

No. Starting July 1, 2016, retailers should no longer allow a sales tax exemption for purchases made by expanded temporary storage permit holders. Retailers allowing sales tax exemptions will be subject to penalties and interest if the Department determines the sales actually were taxable.

Should expanded temporary storage permit holders continue to use Form ST-2-TS to report tax due on purchases previously made tax-free?

Yes. Expanded temporary storage permit holders still must pay any applicable sales tax (including local sales taxes) for purchases of tangible personal property made tax-free on or before June 30, 2016, when the tangible personal property ultimately is used in Illinois. To pay the sales tax due, they must continue to file Form ST-1, Sales and Use Tax and E911 Surcharge Return, including Form ST-2-TS, Expanded Temporary Storage Multiple Site Form, until such time as their tax liabilities are paid on tangible personal property used in Illinois.

If I hold a permit for expanded temporary storage, do I need to update my registration with the Illinois Department of Revenue?

No. Holders of expanded temporary storage permits issued by the Department do not need to update the registration of their tax accounts with the Department if they are still temporarily storing in Illinois tangible personal property that was purchased tax-free using their permits. Once a permit holder has shipped all previously purchased tangible personal property out of Illinois and has satisfied its sales tax liability on any tangible personal property used by the permit holder in Illinois, then the permit holder should contact the Department to discontinue the expanded temporary storage tax account. Contact the Central Registration Division at **217 785-3707** to update your account information.

Was Form ST-1 revised because of the expanded temporary storage exemption expiring?

No. The expiration of the exemption for expanded temporary storage does not require any changes to Form ST-1. Use Form ST-2-TS, Expanded Temporary Storage Multiple Site Form, to continue paying sales tax on purchases made tax-free prior to July 1, 2016, that were purchased using an expanded temporary storage permit.