



Illinois Department of Revenue

Informational Bulletin

Brian Hamer
Director of Revenue

Form ST-556 Information

To:
All Form ST-556 filers

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:
tax.illinois.gov
- 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 regulations, or court
decisions.

The Department of Revenue is in the process of consolidating all taxes and fees it administers into a single computer system. In December of 2007, we brought sales taxes filed on ST-1 returns into the new system; in September of 2009, vehicle sales and use taxes will be added to this system. This bulletin explains changes that affect Form ST-556 filers.

What are the changes?

The biggest changes are:

- The new tax system does accounting on a period basis instead of on a transaction basis. As illustrated later, returns that are overpaid or underpaid will be summarized by period (a period is a date of delivery).
- You will no longer be mailed a Statement of Account each month. Instead the detailed breakdown of credits will be available on demand as a Credit Activity Statement and the detailed breakdown of liabilities will be available on demand as a Detailed Liability Statement. We illustrate these documents and explain how to obtain them later in this bulletin.

Other changes include:

- Your Illinois Business Tax (IBT) number is now referred to as your Account ID.

- Your ST-556 and ST-1 are now considered two separate accounts although the Account ID (previously IBT no.) will be used for both accounts.
- Use of credit memoranda has changed.
- Notices, bills, and statements have a new look.

What has changed with my Illinois Business Tax (IBT) number?

Your Illinois Business Tax number is now referred to as your Account ID. For ST-556 accounts, the number itself will not change, just how we refer to it. You will find this number on your forms and on all correspondence you receive. Continue using your existing stock of Forms ST-556.

How are credit memoranda used?

The new system will automatically apply an ST-556 credit memorandum to any outstanding debt within your ST-556 account before it is applied to your ST-1 account.

What changes can I expect on correspondence?

Notices and bills have a new look and new titles. Most are very similar to the ones you recently may have received for your Form ST-1.



The most common notices you may receive are

- **Taxpayer Notification** when your return cannot be processed because a signature or other information is missing.
- **Account Notice** when you owe tax, penalty, or interest and payments or credits have been used to reduce your balance due to zero.
- **Final Notice of Tax Due or Notice of Tax Liability (bills)** when the amount owed on each Form ST-556 (including penalties and interest) has not been paid. The bill includes a payment voucher.

These notices may be mailed with a

- **Return Correction Notice** which shows changes we made to your return or asks you for information missing from your return.
- **Taxpayer Statement** which includes a payment voucher showing the total amount due for all ST-556s and summarizes any period for which returns are out of balance.

For example,

- if an error has been made on your return or you fail to pay the amount you owe, you may receive a **Final Notice of Tax Due**, a **Return Correction Notice**, and a **Taxpayer Statement**.
- if you are assessed penalty or interest and a payment or credit has offset that amount, you may receive an **Account Notice**, a **Return Correction Notice**, and, if that period or another period is not in balance, a **Taxpayer Statement**.
- if information was missing on the return you filed, you may receive a **Taxpayer Notification** and a **Return Correction Notice**.

See detailed examples of the above notices at the end of this bulletin.

When could I start receiving these notices?

You may begin receiving notices and bills in the new format starting in September.

How will ST-556 returns be shown on the new Taxpayer Statement?

Multiple ST-556 returns filed with the same date of delivery will be combined into one reporting period if an unpaid balance or outstanding credit remains. Your Taxpayer Statement will not separately state each ST-556 transaction.

Will ST-556 information continue to be shown on the old Statement of Account?

No. The Statement of Account was discontinued for ST-1 information in December of 2007. It was discontinued for ST-556 information in July of 2009.

How do I get detailed information about my ST-556 credits or liabilities?

The information that was contained on the discontinued Statement of Account — how credits have been applied and the transaction by transaction breakdown of liabilities — will be provided when you request it. You can make a request through our website and we will then email you a Credit Activity Statement or a Detailed Liability Statement. Examples follow on the last pages of this bulletin.

To access these statements, you must first complete and mail Form CSB-2, Email Authorization. We have sent this form to you in a separate mailing or you may find it on our website.

How do I make a payment when I receive a bill?

You have two choices

1. Whenever you receive a mailing from us and you owe additional money, the mailing will include a Taxpayer Statement that summarizes by liability period (delivery date) what you owe. There will be a voucher on the bottom of the Taxpayer Statement that you can use to pay the entire liability.

2. Each Final Notice of Tax Due or Notice of Tax Liability will include a voucher for the amount due on that particular bill. If you use that voucher the money will be applied to that specific transaction.

Note: In a mailing that includes a bill and a Taxpayer Statement, there will be two vouchers. If you want to pay only the amount due on a particular ST-556, use the voucher on the bill. If you want to pay the amount reflected on the Taxpayer Statement (more than one ST-556), use the voucher on the Taxpayer Statement. Pick the voucher you wish to use — do not use both.

Do these changes affect Form ST-556 or my filing requirements?

No.

How can I be sure payments are applied to the intended returns when I file my original Forms ST-556?

The most certain way is to use a service provider to file and pay electronically. For more information, call us at 1 866 440-8680 or contact the Secretary of State about the Electronic Registration and Title (ERT) program.

If you choose not to file and pay electronically, you should write a check for each ST-556 to ensure your payment is directed to that transaction.

Are there other changes I should know about concerning my ST-556?

Yes. If your exemption on Line 5 is denied, you will now be sent a Notice of Tax Liability. You **must** respond within 60 days.

What if I have questions?

We will use the Tax Talk section of our website to provide updated information. Click on "Tax Talk" on our home page.

Examples of Notices, Bills, and Statements

Final Notice of Tax Due

for Form ST-556, Sales Tax Transaction Return



TESTING LETTER - Do Not Mail
#BWNKMGV
#CNXX XX92 5943 8X85#
J AND R USED CARS
101 W JEFFERSON ST
SPRINGFIELD IL 62702-5145

September 22, 2009 TDD 1 800 544-530



Letter ID: CNXXXX9259438X85

Account ID: 1234-5678

Date of delivery: Aug 19, 2009

ST-556 tax return no.: 434012563



Here is information about your Form ST-556 return identified above.
Additional information can be found on the following pages.

To avoid cost of collection fees, additional penalties and interest for this assessment, you must pay before October 22, 2009.

To make payment,

- for the return identified above, use the voucher on the following page.
- for your entire account balance, use the voucher on the enclosed Taxpayer Statement.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Original Tax	497.00	0.00	497.00
Late Payment Penalty	9.94	0.00	9.94
Interest	0.19	0.00	0.19
Assessment Total	\$507.13	\$0.00	\$507.13

This reporting period on the attached taxpayer statement reflects the above plus any other activity.

Final Notice of Tax Due

This notice replaces the Notice of Assessment. It describes the reason for a balance due for a specific ST-556. It shows tax, penalty, interest, payments, and credits and contains a payment voucher for this ST-556.

All out-of-balance returns with the same "date of delivery" are included in the total under "Period" on the Taxpayer Statement.

Assessment total is included in the August 19th period (date of delivery) on the Taxpayer Statement.

Final Notice of Tax Due (continued from Page 1)

Reasons for Notice:

- You did not make full payment by the required due date.
- Please review the enclosed Return Correction Notice. If you do not agree, please enter your corrections on it, sign and return to the address on the Taxpayer Statement. However, if your corrections show that you have overpaid, you must file an amended return.

As a result we have assessed the amounts shown on the previous page.

To make a payment for the Form ST-556 tax return identified above, return bottom portion.

Retain top portion for your records.

Fold and detach on perforation.

Bill Voucher

(R-12/08)

(136)



Letter ID: CNXXXX9259438X85
J AND R USED CARS

Total amount due: \$507.13

Write the amount you are paying below.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19006
SPRINGFIELD IL 62794-9006

\$ _____
Write your Account ID on your check.

601 006 000780820481 731 081909 8 0000000050713

The reasons for the bill will be described for this specific return.

If you make a payment for a specific ST-556 return, you must use the voucher on the Final Notice of Tax Due to assure your payment will be directed to that return.

Account Notice

for Form ST-556, Sales Tax Transaction Return



TESTING LETTER - Do Not Mail
#BWNKMGV
#CNXX XX38 9X72 8962#
J AND R USED CARS
101 W JEFFERSON ST
SPRINGFIELD IL 62702-5145

September 22, 2009 TDD 1 800 544-5304



Letter ID: CNXXX389X728962

Account ID: 1234-5678
Date of delivery: Jul 20, 2009
ST-556 tax return no.: 471229104



Here is information about your Form ST-556 return identified above.

- You did not make full payment by the required due date.

As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Original Tax	1,313.00	(1,313.00)	0.00
Late Payment Penalty	26.26	(26.26)	0.00
Late Filing Penalty	26.26	(26.26)	0.00
Interest	0.36	(0.36)	0.00
Totals	1,365.88	(1,365.88)	\$0.00

You had overpayments available in your account. In order to minimize penalty and interest, we have applied \$75.88 of overpayment to this assessment.

If you believe you do not owe an amount identified or have any questions about the application of your overpayment, please call one of the numbers above.

Account Notice

This notice shows the same information as a Final Notice of Tax Due except the balance due has been paid (because a payment or credit was applied).

The amount that has been credited to this ST-556 will show here and on the Credit Activity Statement.

Taxpayer Notification

This notice is sent when a signature or other required information is missing on the ST-556 return. It requires a response within 30 days.

A statement will be added to the Taxpayer Statement noting that information is missing.

Taxpayer Notification

for Form ST-556, Sales Tax Transaction Return



TESTING LETTER - Do Not Mail
#BWNKMGV
#CNXX XX96 4118 5285#
J AND R USED CARS
101 W JEFFERSON ST
SPRINGFIELD IL 62702-5145

September 15, 2009 TDD 1 800 544-5304



Letter ID: CNXXX9641185285

Account ID: 1234-5678
Date of delivery: Aug 19, 2009
ST-556 tax return no.: 471116541



You did not sign your return.

You are required to sign your tax return. If you do not sign, date, and return this page to us by **October 15, 2009**,

- we will not send you a refund or issue a credit even if you amend this return.
- interest will not accrue on any overpayment until we can process your return.
- you may receive a late filing penalty because your return can not be processed. This penalty is in addition to any late filing penalty you may receive if you filed your return after the due date.

For detailed penalty and interest information, see Publication 103, Penalties and Interest for Illinois Taxes.

For questions, visit our web site or call one of the numbers above.

Signature declaration

Under penalties of perjury, I state that I examined the original return I filed and that the return, including any accompanying schedules and statements, is to the best of my knowledge true, correct, and complete. I request that this document become a permanent part of my return.

Printed Name

Title

Date

Return Correction Notice

This notice may be sent with one of the three preceding notices. It provides specific information about the ST-556 return. When our information is not correct or is incomplete, you should return this page with the correct information.

Return Correction Notice

for Form ST-556, Sales Tax Transaction Return

Account ID. 1234-5678

ST-556 tax return no. 434012563

Rev Form
CA NS E S ____/____/____

BDN: 0925831401000

If the date of delivery listed on Page 1 is incorrect, write the correct date. ____/____/____

Is the buyer's address for registration purposes located within the city limits of Chicago? ____ Yes ____ No

Step 1: Mark the line that best describes your exemption or sale to a nonresident.

- A** ____ Nonresident buyer (NOT an out-of-state dealer). You must provide the drive-away permit no./license plate no. _____ state _____
- B** ____ Sold for resale to a DEALER. You must provide the Illinois dealer's Illinois Account ID or if dealer is an out of state dealer, write "out-of-state dealer." _____
- C** ____ Exempt organization (government, school, religious or charitable). Provide tax exempt no. E - _____
- D** ____ Sold to an interstate carrier for hire to use as a rolling stock. You must provide the certificate of authority no. _____
- E** ____ Sold for rental use. You must provide buyer's Illinois Account ID _____
- F** ____ Other (describe) _____

Step 2: Write the price and figure the tax. Complete Lines 1 and 2 even if no tax is due. You must round your figures to whole dollars.

	A Your most recent figures	B Department figures	C Corrected figures
1 Total price (include accessories, federal excise taxes, freight and labor, dealer preparation, documentary fees, and dealer-reimbursed rebates or incentives)	7,950.00	7,950.00	1
2 Trade-in allowance	0.00	0.00	2
3 Amount subject to tax [Line 1 - Line 2]	0.00	7,950.00 *	3
4 Tax [Line 3 x 0.0625%] (If you make this sale from a temporary location, see Form ST-556 instructions.)	0.00	497.00 *	4
5 Use Tax for certain districts. (Do not report home rule use tax below.) Write the name of			
a County _____			
b City _____			
c Township _____	0.00	0.00	5
6 Total Tax [Line 4 + Line 5]	0.00	497.00 *	6
7 Retailer's allowance if filed on time	0.00	0.00	7
7 a MED fee	0.00	0.00	7a
8 Net tax due [Line 6 - (Line 7+ Line 7a)]	0.00	497.00 *	8
9 Prior overpayment	0.00	0.00	9
10 Credit for previously paid tax. (See Form ST-556 instructions.) You must write the tax return number of Form ST-556 or the MV number of Form RUT-25 on which you previously paid tax. _____	0.00	0.00	10
11 Excess tax collected	0.00	0.00	11
12 Total tax due [Line 8 - Line 9 - Line 10 + Line 11]	0.00	497.00 *	12
13 Credit memorandum	0.00	0.00	13
14 Amount due [Line 12- Line 13]	0.00	497.00 *	14

Step 3: Signature Declaration

Under penalties of perjury, I state that I examined the original return I filed and that the return, including any accompanying schedules and statements, is to the best of my knowledge true, correct, and complete. I request that this document become a permanent part of my return.

Your signature _____

Date _____

Return this notice only if you are making corrections.

Taxpayer Statement



TESTING LETTER - Do Not Mail
#BWNKMGV
#CNXX X199 9685 6321#
J AND R USED CARS
101 W JEFFERSON ST
SPRINGFIELD IL 62702-5145

September 22, 2009

TDD 1 800 544-5304



Letter ID: CNXXX19996856321

Account ID: 1234-5678 ;9
Total amount due: \$985.68



This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed. A payment voucher is included so you may pay the balance due.

ST-556 Sales Tax

Account ID: 3907-1359

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
10-Aug-2009	781.00	9.02	0.28	-	(330.12)	460.18
19-Aug-2009	1,522.00	10.30	0.20	-	(1,007.00)	525.50

A return in this period is missing required information

Taxpayer Statement

This statement lists information about out-of-balance returns for all ST-556 transactions by "period" (delivery date). If there is more than one out-of-balance return with the same delivery date, the information will be combined.

The August 19th period (date of delivery) includes all out-of-balance returns for this delivery date.

The Final Notice of Tax Due for ST-556 tax return 434012563 (shown on a previous page) is included in these totals.

The Taxpayer Notification (shown on a previous page) was sent asking for missing information.

SOA

Retain this portion for your records.

Fold and detach on perforation. Return bottom portion with your payment.

Taxpayer Statement

(R-12/08)

(136)



Letter ID: CNXXX19996856321
J AND R USED CARS

Total amount due: \$985.68

Write the amount you are paying below.

\$ _____

Write your Account ID on your check.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19006
SPRINGFIELD IL 62794-9006

000 006 011518238722 731 123199 1 0000000098568

If there is a balance due, a preprinted payment voucher showing the total amount owed for all periods is provided.

Detailed Liability Statement

This statement will be emailed to you on an as-needed basis. You must go to our website and request it. This will give you details about the amount due for each ST-556 return.

Detailed Liability Statement

for Form ST-556, Sales Tax Transaction Return



TESTING LETTER - Do Not Mail

#BWNKMGV
#CNXX XX39 1858 1763#
J AND R USED CARS
101 W JEFFERSON ST
SPRINGFIELD IL 62702-5145

September 22, 2009

TDD 1 800 544-5304



Letter ID: CNXXXX3918581763

Account ID: :1234-5678



This statement lists your unpaid balance by period (date of delivery) and tax return number. This statement does not include returns that have not been processed or financial information for returns that have responses pending. Please refer to your Taxpayer Statement for a payment voucher and additional information. Note: If "Miscellaneous" is shown under the "Tax Return no." column, this line is either a bad check penalty, lien fee, or liabilities resulting from an audit.

Period (Date of Delivery)

Tax Return no.	Tax	Penalty	Interest	Other	Payments/Credits	Balance
10-Aug-2009						
471229229	781.00	9.02	0.28	-	(330.12)	460.18
	781.00	9.02	0.28	0.00	(330.12)	460.18
19-Aug-2009						
434012563	497.00	9.94	0.19	-	-	507.13
471116541	1,025.00	0.36	0.01	-	(1,007.00)	18.37
	1,522.00	10.30	0.20	0.00	(1,007.00)	525.50

Total on Taxpayer Statement

Credit Activity Statement

This statement will be emailed to you on an as-needed basis. You must go to our website and request it. This will list your credit information from your requested date.

Credit Activity Statement

for Form ST-556, Sales Tax Transaction Return



TESTING LETTER - Do Not Mail

J AND R USED CARS
101 W JEFFERSON ST
SPRINGFIELD IL 62702-5145

September 22, 2009 TDD 1 800 544-5304



Letter ID: L1734035456

Account ID: 1234-5678



This statement lists your recent Form ST-556 credit information posted since August 29, 2009.

<i>Period (Date of Delivery)</i>			Amount of original credit and application	Remaining Credit
<u>Tax Return no.</u>	<u>Date</u>	<u>Credit description and application</u>		<u>Credit</u>
<i>July 20, 2009</i>				
471229104	20-Aug-2009	Credit/Payment	(1,290.00)	0.00
	15-Sep-2009	Applied to Tax Return no. 471229104	\$1,290.00	
	20-Aug-2009	Credit In From Return No. 471229138	(75.88)	0.00
	15-Sep-2009	Applied to Tax Return no. 471229104	<u>\$75.88</u>	
<i>August 10, 2009</i>				
	20-Aug-2009	Credit In From Return No. 471229138	(330.12)	0.00
	15-Sep-2009	Applied to Tax Return no. 471229229	<u>\$330.12</u>	
<i>August 15, 2009</i>				
471229138	20-Aug-2009	Credit/Payment	(2,906.00)	0.00
	15-Sep-2009	Transferred to 7/20/2009	\$75.88	
	15-Sep-2009	Transferred to 8/10/2009	\$330.12	
	15-Sep-2009	Applied to Tax Return no. 471229138	\$2,500.00	
<i>August 19, 2009</i>				
471116541	20-Aug-2009	Credit/Payment	(1,007.00)	0.00
	15-Sep-2009	Applied to Tax Return no. 471116541	<u>\$1,007.00</u>	

You may use credit and credit memorandum amounts for your ST-556 sales tax liability. The department may automatically apply any remaining credit to your ST-556 liability.

If you have any questions, call our Springfield office weekdays between 8:00 a.m. and 5:00 p.m. Our telephone numbers are listed above.