



ST-1 Instructions (for reporting periods January 2026 and after)

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 Illinois retail sales, including leases or rentals*, or, incident to sales of service, transfers of, any of the following:

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

See 86 Ill. Adm. Code 131.107(a) and 86 Ill. Adm. Code 140.101 for more information on the types of retailers and servicepersons who must file this Form.

*Effective January 1, 2025, Public Act 103-592 amended the Retailers' Occupation Tax Act to provide that a lease of tangible personal property, excluding items that must be registered with an agency of state government (other than trailers that are not semitrailers as defined in Section 1-187 of the Illinois Vehicle Code), is considered a sale at retail.

You must file Form ST-1 if you are in the business of leasing or renting tangible personal property.

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

“**General merchandise**” includes most tangible personal property such as:

- 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;
- grooming and hygiene products;
- copiers that are leased to businesses;
- lawn equipment rented for a period of hours, or days, or weeks from a hardware store; and
- kitchen equipment leased to a restaurant.

“**Qualifying drugs and medical appliances**” include:

- 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, as well as leases of such medical appliances to a patient.

“**Groceries**” generally includes 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. See 86 Ill. Adm. Code Part 130 for more information on qualifying drugs, medical appliances, and groceries. Effective January 1, 2026, **Public Act 103-0781** eliminates the State of Illinois one-percent (1%) tax on grocery sales but authorizes municipalities and counties to impose the tax. The local grocery taxes at locations within the Regional Transportation Authority (RTA) and the Metro-East Transit District (MED) remain in effect. See Informational Bulletin FY 2026-03, Illinois Grocery Tax Changes Effective January 1, 2026, for more information.

“**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.

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

You can use the **Tax Rate Finder** at mytax.illinois.gov to look up location-specific tax rates. If you file electronically using MyTax Illinois, the rates will be populated for you according to your registered site(s). Depending upon the location of the sale, the sales tax rate may be higher than the State¹ rate of 6.25 percent (1.00 percent for qualifying drugs and medical appliances) because of local taxes (e.g., home rule, non-home rule, business district, mass transit, park district, flood prevention district, county public safety, public facilities or transportation, county school facility, and grocery taxes). The E911 Surcharge has two different rates, one for Chicago locations and one for non-Chicago locations. 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** at tax.illinois.gov to determine current rates. Visit our website for information about destination and origin sourcing and resources related to **Leveling the Playing Field**.

How do I report sales for multiple taxing jurisdictions?

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.

Destination retail sales, leases, and rentals

A retailer who sells, leases, or rents tangible personal property to Illinois customers where the sale, lease, or rental

- is made outside Illinois and the property is shipped or delivered into Illinois (*i.e.*, remote retailers, marketplace facilitators, and retailers maintaining a place of business in this State¹, all as defined in Section 1 of the Retailers' Occupation Tax Act (35 ILCS 120/1)) or
- is made in Illinois by a marketplace facilitator on behalf of a marketplace seller and the sale is either fulfilled from inventory located in Illinois or the selling activity otherwise occurs in Illinois,

also must use Form ST-2 to report sales, leases, and rentals made to Illinois customers. For purposes of these instructions, we will refer to these types of sales, leases, and rentals as "destination retail sales, leases, and rentals." These sales, leases, or rentals must be separated on Form ST-2 according to the local tax jurisdiction (*e.g.*, city or county) where the customer is located. Beginning on January 1, 2026, the above provisions apply to destination sales of service made by servicepersons maintaining a place of business in this State, marketplace servicepersons, and marketplace facilitators with respect to the tangible personal property transferred by sale, lease, or rental incident to a sale of service. See 35 ILCS 115/2 and 3.

Reminder: For destination-based transactions, supporting documents must include the full name and street address for each delivery. For more information, see "**Where can I find information on maintaining proper books and records for my business?**"

How do I add, change, or discontinue one of my tax sites?

You must register all locations at which you make sales, leases, or rentals prior to filing your Form ST-1 for the reporting period. MyTax Illinois allows users to add or remove locations using the Maintain Locations link in your Sales and Use Tax (ST-1) account. You also can contact us by calling **217 785-3707**. Remote retailers and marketplace facilitators are no longer required to add or remove sales locations before filing; instead, all sales locations are available on one screen when the user files Forms ST-1 and ST-2 using MyTax Illinois.

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

All retailers making destination retail sales, leases, or rentals as described above and who file Forms ST-1 and ST-2 must register a changing location tax site for each local tax jurisdiction (*e.g.*, city or county) where it has made a sale.

When must I file my return?

You must file this return and any required supporting schedules, along with any payment you owe, on or before the 20th day of the month following the end of your reporting period.

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

The Illinois Department of Revenue (IDOR) will notify you if you are required to pay on an accelerated schedule.

IDOR 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, IDOR may notify you that your filing frequency has been changed to a monthly requirement.
- If your average monthly liability is between \$50 and \$200, IDOR may notify you that your filing frequency has been changed to a quarterly requirement.
- If your average monthly liability is less than \$50, IDOR may notify you that your filing frequency has been changed to an annual requirement.

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

Yes, you can use MyTax Illinois at mytax.illinois.gov to file your Form ST-1, and, if applicable, Form ST-2. MyTax Illinois also allows for electronic payment of any tax due. You can also file Form ST-1 using a direct file transmission method through software you develop or purchase from a third-party vendor. To use a direct file service, electronic transmitters, software developers, and taxpayers must register using the Business Electronic Filing Enrollment (BEFE) process through **MyDevPortal**, IDOR's source for documentation and credential- and registration-related requests for specific electronic transmissions, at mytax.illinois.gov/mydevportal.

Note: Some taxpayers are mandated to file Form ST-1 electronically. For more information, see our website at tax.illinois.gov.

Where can I find information on maintaining proper books and records for my business?

You can find general information on requirements for the books and records that must be kept for your business on our website in Publication 113, Retailer's Overview of Sales and Use Tax, Prepaid Wireless E911 Surcharge, and Illinois Telecommunications Access Corporation (ITAC) Assessment, in the "**Keeping Complete and Accurate Records**" section. For additional information, see 86 Ill. Adm. Code Sections **130.801 through 130.825**.

For destination-based transactions, if the taxpayer fails to provide the information, schedules, or supporting documents necessary to determine the destination location, IDOR shall assess tax on the gross receipts of such sales at the rate of 15%.

What if I need help?

If you need help, call our Taxpayer Assistance Division at **1 800 732-8866, 217 782-3336, or 1 800 544-5304** (TTY). You may also visit our website at tax.illinois.gov or scan the QR code provided.

Language assistance services are available upon request and are free of charge.



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. You cannot report a negative amount of receipts on Form ST-1 or for any sales location on an ST-2 filed with the ST-1. If you are taking a deduction for a refund to a customer and that deduction will result in negative receipts for Form ST-1 or for any sales location on an ST-2 filed with the ST-1, you must instead file an amended return for the period in which the sale was originally reported.

Note: For most retailers, “site,” as used below, is the retail location where the sales, leases, or rentals were made. For destination retail sales, leases, and rentals (as described above in the General Information section) only, “site” is the destination in Illinois where the item is delivered. Note also that retailers making destination retail sales, leases, and rentals must report the aggregate taxable receipts for all sales at each changing location tax site. For example, a retailer who fulfills purchase orders with merchandise located outside Illinois must combine all taxable receipts for a single municipality or county (or a single business district within a municipality) under a single changing location tax site on Form ST-2.

Beginning on January 1, 2026, the provisions of this Note regarding destination retail sales apply to destination sales of service with respect to the tangible personal property transferred by sale, lease, or rental incident to a sale of service.

Step 1: Alcoholic Liquor Purchases and Taxable Motor Fuel Receipts

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.

Line B, Total taxable motor fuel receipts from sales of motor fuel — Until January 1, 2026, “motor fuel,” as defined in Section 1.1 of the Motor Fuel Tax Law, means all volatile and inflammable liquids produced, blended or compounded for the purpose of, or which are suitable or practicable for, operating motor vehicles. Effective January 1, 2026, “motor fuel,” as defined in Section 1.1 of the Motor Fuel Tax Law, means all volatile and inflammable substances (whether in liquid or gaseous form) that are produced, blended or compounded for the purpose of, or that are suitable or practicable for, operating motor vehicles. Among other things, “motor fuel” includes “Special Fuel” as defined in Section 1.13 of the Motor Fuel Tax Law and “gasohol” as defined in Section 3-40 of the Use Tax Act.

If you made sales of motor fuel and reported these receipts on Lines 4a, 6a, 8a, 12a, or 14a of Form ST-1, combine the total motor fuel receipts reported on these lines and enter them on Step 1, Line B.

If you are **not** required to report your alcoholic liquor purchases or do not have motor fuel receipts to report, go to Step 2.

Step 2: Figure Your Taxable Receipts

Line 1 - You must include all of your gross receipts for this reporting period on Form ST-1, Line 1. Enter the amount you received from all sales, leases, or rentals of merchandise and sales of service, including service charges, E911 Surcharge, ITAC Assessment and all State and local taxes collected. Receipts from sales of aviation fuel still will be reported on Form ST-1, Step 2, Line 1, but then must be deducted entirely from the ST-1 as an Other Deduction on Schedule A, Line 16, using the description “Sales of Aviation Fuel.”

Notes: Do not include purchases of merchandise on which you are paying use tax in Step 5.

All sales of aviation fuel must be reported and the tax paid on Form ST-70, Aviation Fuel Sales and Use Tax Return.

Effective January 1, 2026, receipts from grocery items previously subject to the State one-percent (1%) tax that are sold at locations **inside** the RTA or MED or in a municipality or county where a local grocery tax **IS** imposed must be included in the gross receipts and reported on Step 2, Line 1. The tax collected on these grocery sales may then be deducted on Line 2b of Schedule A. For groceries sold at locations **outside** of the RTA and MED in municipalities or counties where a local grocery tax is **NOT** imposed, receipts from grocery items sold must be included in the gross receipts reported on Step 2, Line 1. Those amounts may then be deducted on Line 16 of Schedule A. See **PIO-119, Grocery Receipts Reporting on Form ST-1 and Form ST-2 Chart**, available on our website, for more details.

Line 2 - Enter the total amount of deductions from Line 32 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, lease, or rental.

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. See the instructions for Form ST-2 for how to complete Step 3 of Form ST-1 with your combined totals.

In the case of leases, lessors must remit for each tax return period the tax applicable to any lease or rental payment received during the tax reporting period.

Sales subject to Illinois sales tax (i.e., Retailers' Occupation Tax and Service Occupation Tax)

Note: If you are a voluntary use tax or service use tax collector or a direct wine shipper who has not met the \$100,000 tax remittance threshold, see the instructions for Lines 6a and 7a.

Tax rates are available in the **Tax Rate Finder** at mytax.illinois.gov.

Line 4a - General merchandise base

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

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

Line 5a - Drugs and medical appliances base

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

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

Line 5c - Grocery base

Enter the portion of Line 3 that you received from your sales of qualifying grocery items, plus the amount you received from sales of qualifying grocery items in performing your service, at locations **inside** the RTA or MED or in a municipality or county where a local grocery tax is imposed. See PIO-119, Grocery Receipts Tax Reporting on Form ST-1 and Form ST-2 Chart, available on our website, for more details.

Line 5d - Multiply Line 5c by the tax rate.

Sales subject to Illinois Use Tax collection (i.e., Use Tax and Service Use Tax)

Note: The Instructions for Lines 6a and 7a apply to you if you are a voluntary use tax or service use tax collector or a direct wine shipper who has not met the \$100,000 tax remittance threshold reporting sales into Illinois from out-of-State locations.

Line 6a - General merchandise base

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

Note: Retailers making destination retail sales, leases, and rentals as described in the General Information section above cannot use Line 6a to report sales made to Illinois customers. Use Line 4a to report these sales.

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

Line 7a - Drugs and medical appliances base

Enter the portion of Line 3 that you received from sales of qualifying drugs, and sales, leases, or rentals of qualifying medical appliances you sold, leased, or rented to users in Illinois, plus the amount you received from sales of qualifying drugs, and sales, leases, or rentals of qualifying medical appliances you sold, leased, or rented 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, leases, or rentals of merchandise or service you made at a rate different from the current rate, which for paper form filers who receive preprinted returns from IDOR is the rate printed in Lines 4a, 5a, 6a, and 7a. If you need instructions on how to report receipts from current sales, leases, or rentals that you believe are taxable at a different rate, call us at one of the contact numbers under "What if I need help?" in the General Information section above.

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 + 5c + 6a + 7a + 8a must equal Line 3.

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

Step 4: Retailers' Discount and Net Tax on Receipts

Line 10 - If you are required to file Form ST-1 electronically and have not been approved for a waiver of that electronic filing mandate, you are entitled to a discount only if you electronically file your return on or before the due date **and** also timely pay the tax due. If you are not required to file Form ST-1 electronically (or if you are required to file Form ST-1 electronically but have been approved for a waiver of that electronic filing mandate), you are entitled to a discount if you mail or electronically file your return and payment on or before the due date.

If you are entitled to a discount, the discount amount is 1.75% of your tax due or \$5 per calendar year, whichever is greater. Beginning with returns due on or after January 1, 2025, the maximum discount you may claim per month is \$1,000.

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, leased, or rented to use from an out-of-State retailer who did not collect Illinois tax from you,
- your cost of general merchandise you purchased, leased, or rented tax free to sell, lease, or rent at retail, but instead used or consumed it yourself,
- your cost of general merchandise you purchased, leased, or rented tax free to sell, lease, or rent 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 - Drugs and medical appliances base

Enter the sum of

- your cost of the qualifying drugs you purchased, and qualifying medical appliances you purchased, leased, or rented to use from an out-of-State retailer who did not collect Illinois tax from you,
- your cost of the qualifying drugs you purchased, and qualifying medical appliances you purchased, leased, or rented tax free to sell, lease, or rent at retail, but instead used or consumed it yourself,
- your cost of the qualifying drugs you purchased, and qualifying medical appliances you purchased, leased, or rented tax free to sell, lease, or rent in performing your service, but instead used or consumed it yourself, or transferred subject to use tax, and
- your cost of the qualifying drugs and qualifying 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, leases, or rentals you made at rates different from the rates printed in Lines 12a and 13a. This includes

- your cost of the general merchandise and qualifying 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 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 - Complete Line 16a **only if** you sold items at the end of a lease that you purchased **prior to** January 1, 2025, and you previously paid Use Tax to your supplier on these items. Enter on Line 16a the amount of Use Tax previously paid, but not to exceed the sales tax due on this return because you sold the item at the end of the lease. If you filed a return and paid the tax directly to IDOR, you must file a claim using Form ST-1-X, Amended Sales and Use Tax and E911 Surcharge Return, to recover it.

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 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.

For IDOR to consider a return to be processable, it must

- be signed by an owner, officer, or person otherwise authorized by law to sign,
- be in a format prescribed or approved by IDOR, and
- contain all information and schedules necessary to determine the correct tax due.

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 at tax.illinois.gov.

We will bill you for any penalty and interest amounts owed. If you are unable to file electronically, send your return and remittance to:

**ILLINOIS DEPARTMENT OF REVENUE
RETAILERS' OCCUPATION TAX
SPRINGFIELD IL 62736-0001**

Schedule A Instructions

Total deductions claimed cannot be more than the total receipts, including Prepaid Wireless E911 Surcharge, ITAC Assessment, and tax, on Step 2, Line 1 of Form ST-1.

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, leases, or rentals of general merchandise and tax you collected on general merchandise you sold, leased, or rented in performing service. This includes food sold for immediate consumption, such as food sold at a restaurant.

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

Enter the amount of tax you collected on your retail sales of qualifying drugs and your retail sales, leases, and rentals of qualifying medical appliances and tax you collected on qualifying drugs you sold in performing a service and qualifying medical appliances you sold, leased, or rented in performing service.

Line 2b - Taxes collected on groceries

Enter the amount of tax you collected on your retail sales of groceries, and tax you collected on groceries sold in performing service, at locations **inside** the RTA or MED or in a municipality or county where a local grocery tax is imposed. See PIO-119, Grocery Receipts Tax Reporting on Form ST-1 and Form ST-2 Chart, available on our website, for more details.

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, leased, or rented to someone who will resell, sublease, or rent those items at retail. For each sale for resale you make, the buyer or lessee 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, leased, or rented 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, lease, or rental of qualifying manufacturing machinery and equipment (including repair and replacement parts) that produce items to be sold or leased. Use Schedule A, Line 8 to claim a deduction for qualifying graphic arts machinery and equipment. Do not combine a deduction for graphic arts machinery and equipment with your deduction for manufacturing machinery and equipment on Schedule A, Line 6. See **PIO-101, Illinois Sales & Use Tax Matrix** for additional information on machinery and equipment exemptions.

Line 7 - Farm machinery and equipment

Enter the amount you collected from qualifying farm machinery and equipment (including repair and replacement parts) you sold, leased, or rented 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). Do not combine a deduction for graphic arts machinery and equipment with your deduction for manufacturing machinery and equipment on Schedule A, Line 6.

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 or Data Center

a) Sales of building materials

Enter the amount you collected from sales of building materials for projects under the Illinois Enterprise Zone Act (20 ILCS 655/1 et seq.) or Data Center Investment in Section 605-1025 of the Department of Commerce and Economic Opportunity (DCEO) Law (20 ILCS 605/605-1025).

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 as tax exempt by DCEO.

This amount can include, but is not limited to:

- tangible personal property used or consumed in the operation of pollution control facilities located within an enterprise zone, 35 ILCS 120/1e.
- 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, 35 ILCS 120/1d.
- 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, 35 ILCS 120/1d.
- machinery and equipment used in the operation of a high impact service facility located within an enterprise zone, 35 ILCS 120/1j.
- jet fuel used in the operation of high impact service facilities located within an enterprise zone, 35 ILCS 120/1j.1.
- machinery and equipment used in the operation of an aircraft maintenance facility located within an enterprise zone, 35 ILCS 120/1m.
- for data centers, applicable items listed in the definition of qualified tangible personal property in 35 ILCS 120/2-5(44) and 20 ILCS 605/605-1025(c), and IDOR's administrative rules 86 Ill. Adm. Code 130.1957.

Line 11 - High Impact Business

High impact businesses are certified under Section 5.5 of the Illinois Enterprise Zone Act, 20 ILCS 655/5.5. Types of businesses eligible for certification from DCEO include but are not limited to wind power facilities, utility scale solar power facilities, cultured cell material food production facilities, battery energy storage solution facilities, high voltage direct current converter stations, and certain grocery stores.

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 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, 35 ILCS 120/1d.
- by a high impact business in the process of graphic arts production if used or consumed at a certified facility, including repair and replacement parts, 35 ILCS 120/1d.

Line 12 - River Edge Redevelopment zone, REV Illinois, MICRO, Quantum Computing Campus sales of building materials

Enter the amount you collected from sales of building materials to customers for projects under any of the following tax incentive programs: River Edge Redevelopment Zone Act (65 ILCS 115/10-1 et seq.), Reimagining Energy and Vehicles in Illinois Act (20 ILCS 686/1 et seq.), Manufacturing Illinois Chips for Real Opportunity (MICRO) Act (35 ILCS 45/110-1 et seq.), or Quantum Computing Campus (20 ILCS 605/605-1115).

Note for Lines 10, 11, and 12: To support the exemption, you must maintain in your books and records the documentation obtained from the customer as required by applicable statutes and administrative rules. See 35 ILCS 120/5k, 5m, 5n, 2-54, 2-29; 20 ILCS 605/605-1025; 86 Ill. Adm. Code 130.1946, 1947, 1948, 1951, 1952, 1954, 1957, 1958, 1959.

Line 13 - Exempt organizations

Enter the amount you collected from merchandise you sold, leased, or rented to organizations that are exempt from paying sales tax. For each tax-exempt sale, lease, or rental, you must obtain a copy of the organization's Illinois Sales Tax exemption identification number and proof payment was made directly by the exempt organization.

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

Line 14 - Uncollectible debt on which tax was previously paid

Enter amounts that have become worthless or uncollectible and on which tax previously has been paid. 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. Enter only the amount of uncollectible debt. Do not include the tax paid in this amount. For retailers who file federal income tax returns on a cash basis, see 86 Ill. Adm. Code 130.1960(d)(2)(F) and (G).

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. Add the amounts together and enter the total on Schedule A, Line 16. These can include the following:

- 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 Step 2, Line 1 of your Form ST-1.
Note: This amount should not include the tax amount from the returned item.
- exempt grocery sales – *i.e.*, groceries sold at locations **outside** of the RTA and MED in municipalities or counties where a local grocery tax is **NOT** imposed.
- newspaper and magazine sales — Enter the amount you collected from your sales of newspapers, magazines, and other periodicals.
- deductible local taxes — Whether local taxes, including restaurant taxes, are deductible depends on the incidence of tax. If the tax is on the consumer it is deductible, but if it is on the restaurant, it is not. You must review the local statute or code to determine the incidence of the tax. The Chicago Restaurant tax is an example of a local tax that is not deductible.
- 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. If any part of the service charges is used to fund or pay wages, labor costs, employee benefits or employer costs of doing business, that part of the service charge is includable in gross receipts.
- tax reported and paid on Form CMFT-1 under the County Motor Fuel Tax Law (55 ILCS 5/5-1035.1) for motor fuel sold in DuPage, Kane, Lake, McHenry, or Will County and tax reported and paid on Form MMFT-1 under the Municipal Motor Fuel Tax Law (65 ILCS 5/8-11-2.3) for motor fuel sold in a municipality in Cook County.
- other deductions allowed by Illinois law that are not listed on Schedule A, Lines 1 through 15 or Schedule A, Section 2.

See **PIO-101, Illinois Sales & Use Tax Matrix**, for additional information on tangible personal property that is tax-exempt.

Line 17 - Total taxes and miscellaneous deductions

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

Lines 18 through 23 - Deduct State motor fuel tax

For each type of fuel, enter the number of gallons you sold. Multiply the number of gallons by the applicable State motor fuel tax rate for that fuel type, and enter the total for each type of fuel. Motor fuel tax rates are available in the **Tax Rate Finder** at mytax.illinois.gov, under "Motor Fuel."

Note: Deduct any local motor fuel taxes on Schedule A, Line 16, "Other." Do not include them on Schedule A, Lines 18 through 23.

Lines 24 through 30 - Deduct fuel receipts exempt from sales tax

Enter your receipts for the specific fuel types listed. Do not include any taxes collected. Multiply your receipts for each type of fuel by its corresponding exemption percentage on Schedule A, and enter the total for each type of fuel.

Effective January 1, 2024, P.A. 102-700 and P.A. 103-9 amended the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Use Tax Act, and the Service Use Tax Act, creating a ten-percent exemption for E15 gasohol (not E10), a 20-percent exemption for mid-range ethanol blends, and a 100-percent exemption for diesel fuel containing more than 10%, 13%, 16%, or 19% biodiesel or renewable diesel, as applicable. See instructions for Schedule A, Line 25 below for more information. 35 ILCS 105/3-5.1 and 105/3-10.

Line 24

There is no exemption for biodiesel blends containing 10% or less of biodiesel or diesel fuel containing 10% or less of renewable diesel. Figures will no longer be allowed on Schedule A, Lines 24a and 24b.

Line 25

Enter your receipts for diesel fuel containing more than 10%, 13%, 16%, or 19% biodiesel or renewable diesel, as applicable, on Schedule A, Line 25a, and multiply that amount by the applicable exemption percentage. Enter the total in Schedule A, Line 25b. "Biodiesel" is defined as "diesel fuel that is not a hydrocarbon fuel and that is derived from biomass that is intended for use in diesel engines." "Renewable diesel" is defined as "diesel fuel that is a hydrocarbon fuel derived from biomass meeting the requirements of the latest version of ASTM standards D975 or D396. Fuels that have been co-processed are not considered renewable diesel." 35 ILCS 105/3-41 and 105/3-42.5.

The exemption from taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act for diesel fuel containing biodiesel or renewable diesel applies as follows:

- On and after January 1, 2024, and on or before December 31, 2030, the tax applies to 100 percent of the proceeds of sales of biodiesel blends with no less than 1% and no more than 10% biodiesel and any diesel fuel containing no less than 1% and no more than 10% renewable diesel.

- From January 1, 2024, through March 31, 2024, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.
- From April 1, 2024, through November 30, 2024, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 13% biodiesel or renewable diesel.
- From December 1, 2024, through March 31, 2025, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.
- From April 1, 2025, through November 30, 2025, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 16% biodiesel or renewable diesel.
- From December 1, 2025, through March 31, 2026, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.
- On and after April 1, 2026, and on or before November 30, 2030, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 19% biodiesel or renewable diesel; except that, from December 1 of calendar years 2026, 2027, 2028, and 2029 through March 31 of the following calendar year, and from December 1, 2030, through December 31, 2030, the tax does not apply to the proceeds of sales of any diesel fuel containing more than 10% biodiesel or renewable diesel.

Line 26

Enter your receipts for diesel fuel containing 100% biodiesel or renewable diesel on Schedule A, Line 26a, and multiply that amount by the applicable exemption percentage. Enter the total in Schedule A, Line 26b. See the instructions for Schedule A, Line 25 above for the definitions of “biodiesel” and “renewable diesel.”

Line 27

Enter your receipts for gasohol on Schedule A, Line 27a, and multiply that amount by the applicable exemption percentage. Enter the total in Schedule A, Line 27b. “Gasohol” is defined as “motor fuel that is a blend of denatured ethanol and gasoline that contains no more than 1.25% water by weight.” On and after January 1, 2024, the blend must contain 85% gasoline and 15% denatured ethanol. 35 ILCS 105/3-40.

Line 28

Enter your receipts for mid-range ethanol blends on Schedule A, Line 28a, and multiply that amount by the applicable exemption percentage. Enter the total in Schedule A, Line 28b. “Mid-range ethanol blends” are defined as “a blend of gasoline and denatured ethanol that contains at least 20% but less than 51% denatured ethanol.” 35 ILCS 105/3-44.3.

Line 29

Enter your receipts for majority blended ethanol on Schedule A, Line 29a, and multiply that amount by the applicable exemption percentage. Enter the total in Schedule A, Line 29b. On and after January 1, 2024, “majority blended ethanol” is defined as “motor fuel that is capable of being used in the operation of flexible fuel vehicles and contains at least 51% and not more than 83% ethanol, by volume, as specified in ASTM Standard D5798-11, and no less than 17% and no more than 49% gasoline.” 35 ILCS 105/3-44.

Line 30 - Other motor fuel deductions

Identify other deductions. Add the amounts together and enter the total on Schedule A, Line 30.

Line 31 - Total motor fuel deductions

Add the amounts on Lines 18b through 29b and Line 30, and enter the total on Schedule A, Line 31.

Line 32 - Total deductions

Add the amounts on Lines 17 and 31, and enter this amount on Schedule A, Line 32 and on Step 2, Line 2 of Form ST-1.

Note: This amount cannot exceed the amount reported on Step 2, Line 1 of your ST-1 return.

Schedule B Instructions

Note: The E911 surcharge rates and the ITAC Assessment rate can be found in the Tax Rate Database at tax.illinois.gov under “Other Miscellaneous Taxes, Fees, and Surcharges.”

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.

Note: Retailers who make destination retail sales as described in the General Information section above must use Line 2a to report sales of prepaid wireless telecommunications service made to Illinois customers in the city of Chicago.

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

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.

Note: Retailers who make destination retail sales as described in the General Information section above must use Line 3a to report sales of prepaid wireless telecommunications service made to Illinois customers not in the city of Chicago.

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

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.

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.

Line 7 - Add Lines 5b and 6b.

Line 8 - Add Lines 4 and 7.

Line 9 - If you are required to file Form ST-1 electronically and have not been approved for a waiver of that electronic filing mandate, you are entitled to a discount only if you electronically file your return on or before the due date and also timely pay the tax, surcharge, and assessment due.

If you are not required to file Form ST-1 electronically (or if you are required to file Form ST-1 electronically but have been approved for a waiver of that electronic filing mandate), you are entitled to a discount if you mail or electronically file your return and payment on or before the due date.

If you are entitled to a discount, multiply Line 8 by 3% (.03). Beginning with returns due on or after January 1, 2025, the maximum discount you can claim per month for the E911 surcharge is \$1,000. The ITAC Assessment discount must be calculated separately and is not subject to the cap.

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.