



*i*nformational

Bulletin

Brian Hamer, Director

Updated Reporting Requirements for Business Incentives

To all entities required to report incentives, including High Impact Businesses, businesses in designated Enterprise and River Edge Redevelopment Zones, Zone Administrators, Building Materials Exemption Certificate holders and utility providers

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

This bulletin supersedes Informational Bulletin FY 2013-12.

Public Act 98-0109 made changes to the business incentives reporting requirements.

- Holders of sales tax exemption certificates from IDOR issued for the period beginning July 1, 2013, must file a report.
- Enterprise Zone and River Edge Redevelopment Zone Administrators no longer are required to file reports.
- The deadline to file reports for all of those required to do so has been changed to May 31 (previously the end of March).

For more detailed information, visit tax.illinois.gov and click on the "Business Incentives" link.

For information or forms
Visit our website at:
tax.illinois.gov

Who is Required to File a Report?

The following summarizes reporting requirements for calendar year 2013 due in 2014, including who is required to file a report, and the types of reports required.

- **Building Materials Exemption Certificate (BMEC) report** – If you obtained a sales tax exemption certificate issued by the Illinois Department of Revenue for the period on or after July 1, 2013, you are required to file a report with the Illinois Department of Revenue (IDOR). You are required to report the dollar amount of exempt building materials that you purchased. The requirement to file a BMEC report is new, and is mandated by Public Act 98-0109, effective July 25, 2013.
- **Administrator report** – Enterprise Zone and River Edge Redevelopment Zone Administrators should not file reports. Public Act 98-0109 eliminated the administrator reporting requirement.
- **Business report** – Businesses that receive incentives because they are located within either an Enterprise Zone or River Edge Redevelopment Zone, or because they are a High Impact Business, must file a business report with IDOR. Each business that receives incentives must provide the information IDOR requests. IDOR will determine the value of incentives for the business based on the information reported.

- **Utility Company report** – Businesses and other entities that are required to file under the Gas Revenue Tax Act, Gas Use Tax Act, Electricity Excise Tax Act, or the Telecommunications Excise Tax Act must report the information IDOR requests about any utility customers who received incentives due to the customer's location within an Enterprise Zone or the customer's certification as a High Impact Business.

How do I file a report?

Use the IDOR online reporting system available through the Department's website, tax.illinois.gov. Click on "Business Incentives," located on the left side of the screen. From there, click "File Now" to go to the filing system. After reading the general information about the system, click the "Next" button to start your filing session.

If you are a:

- **business that received incentives**, select the tab labeled "Business Report."
- **utility**, select the tab labeled "Utility Company Report."
- **BMEC holder**, select the tab labeled "BMEC Report."

The system includes prompts and tips, indicated with a "?" to guide you through the report.

What do I need to file a report?

Depending on the type of filer you are, you should have the following information available when filing a report.

- **BMEC report filers** – Certificate holders need the number used to register for their building materials exemption certificates (Federal Employer Identification Number (FEIN), Social Security number (SSN), or Applicant Identification number). Once logged into the system, the reporting application provides a list of all current certificates you hold that were issued for the period beginning July 1, 2013. For each project-related certificate, you will need to declare the dollar value of the building materials you purchased July 1 - December 31, 2013, using each of your certificates.
- **Business report filers** – You are required to enter identifying information for your business, such as Tax ID number, the type of zone, and zone name, if applicable.
- **For all report filers** – Once you are in the system, you will be asked to create a Report Access Code (RAC). A RAC is a temporary code that allows you to begin filing a report, leave in the middle of a filing session before submitting the report, and resume the filing at a later time. A RAC can be any 4 to 8 digit number that you wish to create. Each reporting period requires a RAC of your creation, but you can use the same RAC multiple times, if you choose.

When are reports due?

All reports for the previous calendar year are due no later than May 31 of the following year. However, if a report deadline falls on a Saturday, Sunday, or holiday, the deadline to file automatically defaults to the following business day. For example, reports for the 2013 tax year are due on June 2, 2014, because May 31 is a Saturday.

Is the 60-day extension available for reporting?

No. Public Act 98-0109 extended the reporting deadline for all filers from March 30 to May 31 of each year. It also eliminated IDOR's authority to grant filing extensions. Businesses that fail to timely report may be subject to penalties.

Are there penalties if a certificate holder fails to file a report?

Certificate holders who fail to report sales tax exemption benefits for building materials purchased may have their certificates revoked, and may become ineligible to receive certificates for other projects.

Are there penalties if a business fails to file a report?

Yes, businesses that fail to report benefits may lose their eligibility to receive incentives.

Where can I find more information about reporting requirements for business, utility, and certificate holder reports?

The Department will maintain up-to-date information on our website at tax.illinois.gov. Frequently Asked Questions (FAQ) pages have been developed to provide more specific detail about each reporting type. Look for the "Business Incentives" button on our homepage to get started.