



# Illinois Department of Revenue

## Examples of Correct Filing on Form ST-1 and Schedule GT for Grocery Tax Suspension and Back-to-School State Sales Tax Holiday Returns

Compliance Alert (C.A. 2023-01), Improper Reporting of Grocery Tax Suspension Sales on Form ST-1, addresses a compliance problem related to retailers not properly reporting their receipts for sales that qualify for the suspension of the low rate (1%) of state sales and use tax on retail sales of groceries. These examples are designed to help retailers correctly report their sales of low-rate items on both qualifying and non-qualifying purchases for the grocery tax suspension and also the back-to-school state sales tax holiday.

If you have additional questions, you can email us at REV.TA-Sales@illinois.gov or call us at 1 800 732-8866 or 217 782-3336, or call our TDD-telecommunications device for the deaf at 1 800 544-5304.

See the Instructions to Form ST-1 and the Instructions to Schedule GT for additional filing guidance. Also see FY 2022-23, Grocery Tax Suspension from July 1, 2022, through June 30, 2023, PIO-115, Illinois Grocery Tax Suspension Information, and FY 2022-24 Back-to-School State Sales Tax Holiday August 5, 2022, through August 14, 2022, for more information.

Grocery Tax Suspension Examples	Line-by-Line
<p><b>Example 1: Business Location with 1% State Tax on Grocery Items</b></p> <ul style="list-style-type: none"> <li>Albers, Illinois (Clinton County)</li> <li>Total qualifying food and drugs rate of <b>1.00%</b> State Tax</li> <li>Sold \$10,000 worth of low-rate grocery items that qualify for the <b>1.00%</b> State Tax suspension</li> <li>Sold \$5,000 worth of low-rate drugs and medical appliances not qualified for the grocery tax suspension</li> <li>No general merchandise sales</li> </ul>	<ul style="list-style-type: none"> <li>ST-1 Line 5a, Food, drugs and medical appliances: <span style="float: right;">5a. <math>\\$15,000 \times .01 =</math> 5b. <math>\\$150</math></span>  Note: <i>Include both the qualifying and non-qualifying low-rate receipts.</i></li> <li>ST-1 Line 10, Retailer's Discount: <span style="float: right;">10. <math>\\$150 \times .0175 =</math> <math>\\$3</math></span></li> <li>ST-1 Line 11, Net tax due on receipts: <span style="float: right;">11. <math>\\$150 - \\$3 =</math> <math>\\$147</math></span></li> <li>ST-1 Line 20, Net tax due: <span style="float: right;">20. <math>=</math> <math>\\$147</math></span>  Note: <i>Assuming no other additions or subtractions are reported, enter this amount on Line 1 of Schedule GT.</i></li> <li>Schedule GT Line 6a, Qualifying food reported on Line 5a of Form ST-1: <span style="float: right;">6a. <math>\\$10,000 \times .01 =</math> 6b. <math>\\$100</math></span>  Note: <i>Only include low-rate grocery items that qualify for the grocery tax suspension.</i></li> <li>Schedule GT Line 9, Amount of your credit for qualifying food: <span style="float: right;">9. <math>=</math> <math>\\$100</math></span></li> <li>Schedule GT Line 10, Total credit for tax holiday items and qualifying food: <span style="float: right;">10. <math>=</math> <math>\\$100</math></span></li> <li>Schedule GT Line 11, Subtract Line 10 from Line 1 of Schedule GT: <span style="float: right;">11. <math>\\$147 - \\$100 =</math> <math>\\$47</math></span>  Note: <i>Enter this amount, added to the amounts from Form ST-1, Lines 21 and 22, on Line 23 of Form ST-1.</i></li> </ul>

Grocery Tax Suspension Examples	Line-by-Line
<p><b>Example 2: Business Location With Additional Local Taxes on Grocery Items</b></p> <ul style="list-style-type: none"> <li>• Chicago, Illinois (Cook County)</li> <li>• Total qualifying food and drugs rate of <b>2.25%</b> consisting of: <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>1.25%</b> Regional Transportation Authority Tax</li> <li><input type="checkbox"/> <b>1.00%</b> State Tax</li> </ul> </li> <li>• Sold \$10,000 worth of low-rate grocery items that qualify for the <b>1.00%</b> State Tax suspension</li> <li>• Sold \$5,000 worth of low-rate drugs and medical appliances not qualified for the grocery tax suspension</li> <li>• No general merchandise sales</li> </ul>	<ul style="list-style-type: none"> <li>• ST-1 Line 5a, Food, drugs and medical appliances: <span style="float: right;">5a. <math>\\$15,000 \times .0225 =</math> 5b. <math>\\$338</math></span>  Note: <i>Include both the qualifying and non-qualifying low-rate receipts.</i></li> <li>• ST-1 Line 10, Retailer's Discount: <span style="float: right;">10. <math>\\$338 \times .0175 =</math> \$6</span></li> <li>• ST-1 Line 11, Net tax due on receipts: <span style="float: right;">11. <math>\\$338 - \\$6 =</math> <math>\\$332</math></span></li> <li>• ST-1 Line 20, Net tax due: <span style="float: right;">20. = <math>\\$332</math></span>  Note: <i>Assuming no other additions or subtractions are reported, enter this amount on Line 1 of Schedule GT.</i></li> <li>• Schedule GT Line 6a, Qualifying food reported on Line 5a of Form ST-1: <span style="float: right;">6a. <math>\\$10,000 \times .01 =</math> 6b. <math>\\$100</math></span>  Note: <i>Only include low-rate grocery items that qualify for the grocery tax suspension.</i></li> <li>• Schedule GT Line 9, Amount of your credit for qualifying food: <span style="float: right;">9. = <math>\\$100</math></span></li> <li>• Schedule GT Line 10, Total credit for tax holiday items and qualifying food: <span style="float: right;">10. = <math>\\$100</math></span></li> <li>• Schedule GT Line 11, Subtract Line 10 from Line 1 of Schedule GT: <span style="float: right;">11. <math>\\$332 - \\$100 =</math> <math>\\$232</math>.</span>  Note: <i>Enter this amount, added to the amounts from Form ST-1, Lines 21 and 22, on Line 23 of Form ST-1.</i></li> </ul>
<p><b>Back-to-School State Sales Tax Holiday Example</b></p>	<p><b>Line-by-Line</b></p>
<p><b>Example 3: Business Location With Additional Local Taxes on General Merchandise</b></p> <ul style="list-style-type: none"> <li>• Lebanon, Illinois (St. Clair County)</li> <li>• General merchandise rate of <b>7.85%</b> consisting of <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>0.25%</b> County Flood Prevention Tax</li> <li><input type="checkbox"/> <b>0.75%</b> Metro East Mass Transit District Tax</li> <li><input type="checkbox"/> <b>0.10%</b> Metro East Park and Recreation District Tax</li> <li><input type="checkbox"/> <b>0.50%</b> Non-Home Rule Municipal Tax</li> <li><input type="checkbox"/> <b>6.25%</b> State Tax</li> </ul> </li> <li>• The general merchandise tax due during the back-to-school state sales tax holiday period was <b>2.85%</b>, consisting of: <ul style="list-style-type: none"> <li><input type="checkbox"/> the total rate of <b>7.85%</b> minus the suspended State Tax of <b>5.00%</b></li> </ul> </li> <li>• Sold \$10,000 worth of qualifying back-to-school state sales tax holiday items</li> <li>• Sold \$5,000 worth of general merchandise items that do not qualify for the back-to-school state sales tax holiday</li> <li>• No low-rate food sales</li> </ul>	<ul style="list-style-type: none"> <li>• ST-1 Line 4a, General Merchandise: <span style="float: right;">4a. <math>\\$15,000 \times .0785 =</math> 4b. <math>\\$1,178</math></span>  Note: <i>Include both the qualifying and non-qualifying receipts.</i></li> <li>• ST-1 Line 10, Retailer's Discount: <span style="float: right;">10. <math>\\$1,178 \times .0175 =</math> <math>\\$21</math></span></li> <li>• ST-1 Line 11, Net tax due on receipts: <span style="float: right;">11. <math>\\$1,178 - \\$21 =</math> <math>\\$1,157</math></span></li> <li>• ST-1 Line 20, Net tax due: <span style="float: right;">20. = <math>\\$1,157</math></span>  Note: <i>Assuming no other additions or subtractions are reported, enter this amount on Line 1 of Schedule GT.</i></li> <li>• Schedule GT Line 2a, Qualifying tax holiday items reported on Line 4a of Form ST-1: <span style="float: right;">2a. <math>\\$10,000 \times .05 =</math> 2b. <math>\\$500</math></span></li> <li>• Schedule GT Line 5, Amount of your credit for tax holiday items: <span style="float: right;">5. = <math>\\$500</math></span></li> <li>• Schedule GT Line 10, Total credit for tax holiday items and qualifying food: <span style="float: right;">10. = <math>\\$500</math></span></li> <li>• Schedule GT Line 11, Subtract Line 10 from Line 1 of Schedule GT: <span style="float: right;">11. <math>\\$1,157 - \\$500 =</math> <math>\\$657</math></span>  Note: <i>Enter this amount, added to the amounts from Form ST-1, Lines 21 and 22, on Line 23 of Form ST-1.</i></li> </ul>

Grocery Tax Suspension and Back-to-School State Sales Tax Holiday Example	Line-by-Line	
<p><b>Example 4:</b></p> <ul style="list-style-type: none"> <li>• Cicero, Illinois (Cook County)</li> <li>• Total qualifying food and drugs rate of <b>2.25%</b> consisting of: <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>1.25%</b> Regional Transportation Authority Tax</li> <li><input type="checkbox"/> <b>1.00%</b> State Tax</li> </ul> </li> <li>• General merchandise rate of <b>10.75%</b> consisting of <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>1.75%</b> County Home Rule Tax</li> <li><input type="checkbox"/> <b>1.75%</b> Home Rule Tax</li> <li><input type="checkbox"/> <b>1.00%</b> RTA Tax</li> <li><input type="checkbox"/> <b>6.25%</b> State Tax</li> </ul> </li> <li>• The general merchandise tax due during the back-to-school state sales tax holiday period was <b>5.75%</b>, consisting of: <ul style="list-style-type: none"> <li><input type="checkbox"/> the total rate of <b>10.75%</b> minus the suspended State Tax of <b>5.00%</b></li> </ul> </li> <li>• Sold \$12,000 worth of qualifying back-to-school state sales tax holiday items</li> <li>• Sold \$6,000 worth of general merchandise items that do not qualify for the back-to-school state sales tax holiday</li> <li>• Sold \$10,000 worth of low-rate grocery items that qualify for the <b>1.00%</b> State Tax suspension</li> <li>• Sold \$5,000 worth of low-rate drugs and medical appliances not qualified for the grocery tax suspension</li> </ul>	<ul style="list-style-type: none"> <li>• ST-1 Line 4a, General Merchandise: Note: <i>Include both the qualifying and non-qualifying receipts.</i></li> <li>• ST-1 Line 5a, Food, drugs and medical appliances: Note: <i>Include both the qualifying and non-qualifying low-rate receipts.</i></li> <li>• ST-1 Line 9, Tax due on receipts:</li> <li>• ST-1 Line 10, Retailer's Discount:</li> <li>• ST-1 Line 11, Net tax due on receipts:</li> <li>• ST-1 Line 20, Net tax due: Note: <i>Assuming no other additions or subtractions are reported, enter this amount on Line 1 of Schedule GT.</i></li> <li>• Schedule GT Line 2a, Qualifying tax holiday items reported on Line 4a of Form ST-1:</li> <li>• Schedule GT Line 5, Amount of your credit for tax holiday items:</li> <li>• Schedule GT Line 6a, Qualifying food reported on Line 5a of Form ST-1:</li> <li>• Schedule GT Line 9, Total credit for qualifying food:</li> <li>• Schedule GT Line 10, Total credit for tax holiday items and qualifying food:</li> <li>• Schedule GT Line 11, Subtract Line 10 from Line 1 of Schedule GT: Note: <i>Enter this amount, added to the amounts from Form ST-1, Lines 21 and 22, on Line 23 of Form ST-1.</i></li> </ul>	<p>4a. <math>\\$18,000 \times .1075 =</math> 4b. <math>\\$1,935</math></p> <p>5a. <math>\\$15,000 \times .0225 =</math> 5b. <math>\\$338</math></p> <p>9. = <math>\\$2,273</math></p> <p>10. <math>\\$2,273 \times .0175 =</math> <math>\\$40</math></p> <p>11. <math>\\$2,273 - \\$40 =</math> <math>\\$2,233</math></p> <p>20. = <math>\\$2,233</math></p> <p>2a. <math>\\$12,000 \times .05 =</math> 2b. <math>\\$600</math></p> <p>5. = <math>\\$600</math></p> <p>6a. <math>\\$10,000 \times .01 =</math> 6b. <math>\\$100</math></p> <p>9. = <math>\\$100</math></p> <p>10. = <math>\\$700</math></p> <p>11. <math>\\$2,233 - \\$700 =</math> <math>\\$1,533</math></p>
<p><b>Overcollection of Tax Example</b></p>	<p><b>Line-by-Line</b></p>	
<p><b>Example 5:</b></p> <ul style="list-style-type: none"> <li>• Chicago, Illinois (Cook County)</li> <li>• Total qualifying food and drugs rate of <b>2.25%</b> consisting of: <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>1.25%</b> Regional Transportation Authority Tax</li> <li><input type="checkbox"/> <b>1.00%</b> State Tax</li> </ul> </li> <li>• Sold \$15,000 worth of low-rate grocery items that qualify for the <b>1.00%</b> State Tax suspension but erroneously collected the tax on those items from their customers</li> <li>• Refunded the tax on \$5,000 worth of low rate grocery items to a portion of the affected customers</li> <li>• No general merchandise sales</li> </ul>	<ul style="list-style-type: none"> <li>• ST-1 Line 5a, Food, drugs and medical appliances:</li> <li>• ST-1 Line 10, Retailer's Discount:</li> <li>• ST-1 Line 11, Net tax due on receipts:</li> <li>• ST-1 Line 20, Net tax due: Note: <i>Assuming no other additions or subtractions are reported, enter this amount on Line 1 of Schedule GT.</i></li> <li>• Schedule GT Line 6a, Qualifying food reported on Line 5a of Form ST-1:</li> <li>• Schedule GT Line 9, Amount of your credit for qualifying food:</li> <li>• Schedule GT Line 10, Total credit for tax holiday items and qualifying food:</li> <li>• Schedule GT Line 11, Subtract Line 10 from Line 1 of Schedule GT: Note: <i>Enter this amount, added to the amounts from Form ST-1, Lines 21 and 22, on Line 23 of Form ST-1.</i></li> <li>• ST-1 Line 22 Excess tax:</li> <li>• ST-1 Line 23 Total tax due:</li> </ul>	<p>5a. <math>\\$15,000 \times .0225 =</math> 5b. <math>\\$338</math></p> <p>10. <math>\\$338 \times .0175 =</math> <math>\\$6</math></p> <p>11. <math>\\$338 - \\$6 =</math> <math>\\$332</math></p> <p>20. = <math>\\$332</math></p> <p>6a. <math>\\$15,000 \times .01 =</math> 6b. <math>\\$150</math></p> <p>9. = <math>\\$150</math></p> <p>10. = <math>\\$150</math></p> <p>11. <math>\\$332 - \\$150 =</math> <math>\\$182</math></p> <p>22. <math>\\$10,000 \times .01 =</math> <math>\\$100</math></p> <p>23. = <math>\\$282</math></p>