



# ST-16 Annual Report of Manufacturer's Purchase Credit Earned

Use this form for MPC earned on tax-exempt purchases of manufacturing or graphic arts machinery and equipment made on or after **September 1, 2004**.

## Step 1: Identify your business

- 1 Business name \_\_\_\_\_
- 2 Business address \_\_\_\_\_  
Street address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_
- 3 Business phone number \_\_\_\_\_
- 4 Illinois business tax (IBT) number \_\_\_\_\_ - \_\_\_\_\_  
If you do not have an IBT number, check this box.   
Write your federal employer identification number (FEIN). \_\_\_\_\_ - \_\_\_\_\_
- 5 Write the purchase year: January through December \_\_\_\_ - \_\_\_\_ - \_\_\_\_  
This report is due by June 30 of the following year. \_\_\_\_\_ Year

## Step 2: Identify tax-exempt purchases of manufacturing or graphic arts machinery and equipment (Do not round your figures.)

Write "\$0" on Lines 1 through 8 if reporting for calendar year 2004. You may not earn MPC for any tax-exempt purchases made before September 1, 2004.

Month of exempt purchase	A Purchase price of exempt items	State tax rate	B Tax that would have been due	Percentage	C Amount of credit earned
1 January	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
2 February	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
3 March	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
4 April	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
5 May	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
6 June	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
7 July	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
8 August	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
9 September	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
10 October	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
11 November	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
12 December	\$ _____	X .0625 = \$ _____	X _____	.50 = \$ _____	_____
<b>Total</b>	\$ _____ (Column A)			<b>Total</b>	\$ _____ (Column C)

## Step 3: Sign below

Under penalties of perjury, I state that I have examined this form and, to the best of my knowledge, it is true, correct, and complete.

Taxpayer's signature \_\_\_\_\_ Daytime phone number \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Preparer's signature \_\_\_\_\_ Preparer's name (Please print.) \_\_\_\_\_ Daytime phone number \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

# General Information

## What is the Manufacturer's Purchase Credit?

If, on or after **September 1, 2004**, you make tax-exempt purchases of manufacturing or graphic arts machinery and equipment, you are eligible to receive a credit. This credit, called the Manufacturer's Purchase Credit (MPC), can be applied against state sales or use tax on future purchases of production-related tangible personal property (including purchases by a manufacturer, graphic arts producer, or lessor who rents or leases the use of the property to a manufacturer or graphic arts producer). This production-related tangible personal property includes items related to research and development.

## How do I earn and report the credit?

To earn and report this credit, you must complete and file Form ST-16, Annual Report of Manufacturer's Purchase Credit Earned, no later than June 30 of the year following the calendar year in which you made the original purchase of exempt manufacturing or graphic arts machinery and equipment. If you do not file within this period, you forfeit the credit.

All unused Manufacturer's Purchase Credit expires the last day of the second calendar year following the year in which you made the purchase.

**Note:** Do not report any tax-exempt purchases of manufacturing or graphic arts machinery and equipment made before September 1, 2004, on this annual report.

## How do I use this credit?

When you purchase any production-related tangible personal property, you must certify to your supplier that you have MPC available to satisfy all or part of your state use or service use tax liability. You may use Form ST-16-C, Manufacturer's Purchase Credit Certificate, or equivalent certification.

If you create your own certification, that certification must be dated and include

- your name and address,
- the purchase date,
- your Illinois business tax (IBT) number,
- the MPC you are applying, and
- a statement that you are satisfying all or part of the Illinois Use Tax or Service Use Tax liability (not to exceed 6.25 percent of the purchase price) with your accumulated MPC.

You may incorporate your own certification into your purchase order or you may use Form ST-16-C. If you use Form ST-16-C, you must keep the bottom portion of the certificate and provide the top portion to the seller. The seller then reduces the amount of Illinois Sales or Use Tax due up to 6.25 percent. You use your portion of Form ST-16-C to complete Form ST-17, Annual Report of Manufacturer's Purchase Credit Used.

You may also use the MPC to satisfy use or service use tax liability that you owe on purchases of production-related tangible personal property from suppliers not registered in Illinois. However, you must write the total amount of MPC you are using on Line 16a of your Form ST-1, Sales and Use Tax Return. You must also complete Form ST-17.

**Note:** You may not transfer the credit to another party.

## Where can I get help?

You may get help by

- visiting our web site at [www.ILtax.com](http://www.ILtax.com)
- calling our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**
- calling our TDD (telecommunications device for the deaf) at **1 800 544-5304**
- writing to  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19015  
SPRINGFIELD IL 62794-9015

# Step-by-Step Instructions

## Step 1: Identify your business

**Lines 1, 2, and 3** - Write your business name, address, and telephone number.

**Line 4** - Write your Illinois business tax (IBT) number. If you do not have an IBT number, check the box and write your FEIN in the space provided.

**Line 5** - Write the year for which exempt purchases were made. This report is due by June 30 of the year following the calendar year in which you made the purchases. For example, the report for purchase year 2005 is due on or before June 30, 2006.

**Step 2: Identify exempt purchases** (Do **not** round your figures.)

**Note:** Write "**\$0**" on Lines 1 through 8 if reporting for calendar year 2004. You **may not** earn MPC for any tax-exempt purchases made before September 1, 2004.

If you do not complete each column for each applicable line, we will reduce or deny your credit.

**Column A** - Write the total purchase price of all exempt manufacturing machinery and equipment or graphic arts machinery and equipment you purchased for each month listed. This is the amount that would have been taxable if it had not been for the manufacturing or graphic arts machinery and equipment exemption.

If you did not make a purchase, write "\$0".

**Column B** - Multiply the amount in Column A by 6.25 percent (.0625) and write the result. This is the amount of tax that would have been due if the item you purchased had not been exempt.

**Column C** - Multiply the amount in Column B by the 50 percent (.50) and write the result. This is the amount of MPC earned for the purchases reported in Column A.

**Totals** - Add Lines 1 through 12 in Column A, and write the result on the total line. Add Lines 1 through 12 in Column C, and write the result on the total line.

## Step 3: Sign below

Sign your name, and write your telephone number and the date on the lines provided. If this form is completed by a paid tax preparer, the preparer must also sign the appropriate line and complete the requested information. Mail this form to:

SALES TAX PROCESSING DIVISION  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19034  
SPRINGFIELD IL 62794-9034

