**Section 150.115 How To Determine Effective Rate**

a) For the purposes of the Use Tax Act, any tax liability incurred with respect to a sale of tangible personal property made in the regular course of business shall be computed by applying, to the selling price of such sale, the tax rate in effect as of the date of delivery of such property: Provided that if delivery occurs after the tax rate changes, in a transaction in which payments on the selling price were made by the purchaser before the date of the rate change and tax was paid by the purchaser to the seller or to the Department on such payments when they were made by the purchaser in accordance with 86 Ill. Adm. Code 130.430 at the rate which was in effect when such payments were made to the seller, no additional tax will be due or credit allowed because of delivery of the property occurring after the rate change.

b) Furthermore, in the case of sales of building materials to real estate improvement construction contractors for use in performing construction contracts for third persons, if such property is delivered to the contractor after the effective date of a rate increase but will be used in performing a binding construction contract which was entered into before the effective date of the increase and under which the contractor is legally unable to shift the burden of the tax rate increase to his customer, the applicable tax rate will be the rate which was in effect before the effective date of the rate increase. Before a supplier may deliver materials to a construction contractor after the effective date of a tax rate increase at the rate which was in effect prior thereto, the purchasing contractor must give such supplier a written, signed certification stating that specifically described materials are being purchased for use in performing a binding contract which was entered into before the effective date of the rate increase (specifying such date) and under which the contractor is legally unable to shift the burden of the tax rate increase to his customer, identifying the construction contract in question by its date and by naming the contractor's customer under the contract and by describing the nature of the construction work involved, and by giving the location of the job site where the construction contract is being performed or is to be performed.

(Source: Amended and effective September 9, 1969)