

**Illinois Department of Revenue
Regulations**

Title 86 Part 693 Section 693.101 Nature of the Non-Home Rule Municipal Retailers' Occupation Tax
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**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 693
NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX**

Section 693.101 Nature of the Non-Home Rule Municipal Retailers' Occupation Tax

- a) Authority to Impose Tax
On and after January 1, 2002, the corporate authorities of a non-home rule municipality are authorized by the Non-Home Rule Municipal Retailers' Occupation Tax Act [65 ILCS 5/8-11-1.3] to impose the Non-Home Rule Municipal Retailers' Occupation Tax on all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property that is titled and registered by an agency of this State's government, at retail in the municipality on the gross receipts from sales made in the course of the business within the municipality, if a proposition for the tax has been submitted to the electors of that municipality and approved by a majority of those voting on the question. If imposed, the tax shall be imposed at a rate of not more than, through December 31, 2005, ½%, and, beginning on January 1, 2006, 1%, for expenditure on public infrastructure or property tax relief or both as defined in Section 8-11-1.2 of the Illinois Municipal Code. The tax may not be imposed on the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. The tax imposed by the corporate authorities under the Non-Home Rule Municipal Retailers' Occupation Tax Act and this Part, and all civil penalties that may be assessed as an incident of that Act or this Part, may be imposed only in ¼% increments and shall be collected and enforced by the Illinois Department of Revenue (Department).

- b) Passing on the Tax
The legal incidence of the Non-Home Rule Municipal Retailers' Occupation Tax is on the seller. Nevertheless, the General Assembly has authorized persons subject to any tax imposed pursuant to the authority granted in the Non-Home Rule Municipal Retailers' Occupation Tax Act to reimburse themselves for their Non-Home Rule Municipal Retailers' Occupation Tax liability by separately stating the tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax that sellers are required to collect under the Use Tax Act [35 ILCS 105], pursuant to the bracket schedules the Department has prescribed (see 86 Ill. Adm. Code 150.Table A).

- c) Exclusion from "Gross Receipts"

Any amount added to the selling price of tangible personal property by the seller because of a Non-Home Rule Municipal Retailers' Occupation Tax, or because of the Illinois Retailers' Occupation Tax [35 ILCS 120], the Illinois Use Tax [35 ILCS 105], the Metro East Mass Transit District Retailers' Occupation Tax [70 ILCS 3610/5.01], the Regional Transportation Authority Retailers' Occupation Tax [70 ILCS 3615/4.03] or the County Water Commission Retailers' Occupation Tax [70 ILCS 3720/4(b)], and collected from the purchaser, shall not be regarded as a part of the seller's gross receipts that are subject to the Non-Home Rule Municipal Retailers' Occupation Tax.

(Source: Amended at 32 Ill. Reg. 2829, effective February 8, 2008)