Retailers' Occupation Tax (ROT) - Sales Tax

Illinois Department of Revenue

How Sales[1] and Use Taxes are Distributed

Use Tax

General merchandise — 6.25% State Tax + locally imposed taxes

Retailers' Occupation Tax (ROT) - Sales Tax		Use Tax
STATE PORTION **80%** of the **State ROT** collected.	**State Tax 5.00%**	**STATE PORTION** **80%** of the **State Use Tax** collected.
MUNICIPALITY/COUNTY PORTION **(LOCAL GOVERNMENT TAX FUND)** **16%** of the **State ROT** collected. • Distributed to the municipality or county (for sales in the unincorporated area of a county) where the sale originated (origin-based sale[2]) or where delivered to the purchaser (destination-based sale[2]).	**+ 1.00%**	**MUNICIPAL AND COUNTY PORTION** **(STATE AND LOCAL SALES TAX REFORM FUND)** **20%** of the **State Use Tax** collected.
COUNTYWIDE PORTION **(COUNTY AND MASS TRANSIT DISTRICT FUND)** **4%** of the **State ROT** collected. • Distributed to the county[3] where the sale originated (origin-based sale[2]) or where delivered to the purchaser (destination-based sale[2]).	**+ 0.25%**	Not applicable with Use Tax.
LOCALLY IMPOSED TAXES See **Locally Imposed Sales and Use Taxes** chart on page 2.	**Locally Imposed Taxes**	

STATE AND LOCAL SALES TAX REFORM FUND

All money in the State and Local Sales Tax Reform Fund is distributed monthly in the following order:

- 20% to Chicago,
- 10% to the Regional Transportation Authority (RTA),
- 0.6% to the Madison County Mass Transit District, and
- The remainder to the Local Government Distributive Fund (LGDF) for distribution to municipal and county governments (except Chicago) based on the population of each local government (referred to as "local" use tax).

Drugs and medical appliances — 1.00% State Tax + locally imposed taxes

MUNICIPALITY/COUNTY PORTION **(LOCAL GOVERNMENT TAX FUND)** **100%** of the **State ROT** collected. • Distributed to the municipality or county (for sales in the unincorporated area of a county) where the sale originated (origin-based sale[2]) or where delivered to the purchaser (destination-based sale[2]).	**State Tax 1.00%**	**MUNICIPAL AND COUNTY PORTION** **(STATE AND LOCAL SALES TAX REFORM FUND)** **100%** of the **State Use Tax** collected.
LOCALLY IMPOSED TAXES See **Locally Imposed Sales and Use Taxes** chart on page 2.	**Locally Imposed Taxes**	Not applicable with Use Tax.

Grocery — Locally imposed taxes only

Effective January 1, 2026, Illinois eliminated the 1% State tax on groceries.

LOCALLY IMPOSED TAXES See **Locally Imposed Sales and Use Taxes** chart on page 2.	**Locally Imposed Taxes**	Not applicable with Use Tax.

Titled or registered items[4] — 6.25% State Tax + locally imposed taxes

STATE PORTION **80%** of the **State ROT** collected.	**State Tax 5.00%**	**STATE PORTION** **80%** of the **State Use Tax** collected.
MUNICIPALITY/COUNTY PORTION **(LOCAL GOVERNMENT TAX FUND)** **16%** of the **State ROT** collected. • Distributed to the municipality or county (for sales in the unincorporated area of a county) where the sale originated (origin-based sale[2]) or where delivered to the purchaser (destination-based sale[2]).	**+ 1.00%**	**MUNICIPALITY/COUNTY PORTION** **(LOCAL GOVERNMENT TAX FUND)** **16%** of the **State Use Tax** collected. • Distributed to the location where the item is titled or registered, either to a municipality or to a county (for items titled or registered in an unincorporated area).
COUNTYWIDE PORTION **(COUNTY AND MASS TRANSIT DISTRICT FUND)** **4%** of the **State ROT** collected. • Distributed to the county[3] where the sale originated (origin-based sale[2]) or where delivered to the purchaser (destination-based sale[2]).	**+ 0.25%**	**COUNTYWIDE PORTION** **(COUNTY AND MASS TRANSIT DISTRICT FUND)** **4%** of the **State Use Tax** collected. • Distributed to the county[3] where the item is titled or registered.
LOCALLY IMPOSED TAXES See **Locally Imposed Sales and Use Taxes** chart on page 2.	**Locally Imposed Taxes**	**LOCALLY IMPOSED TAXES** See **Locally Imposed Taxes** chart on page 2.

1 Beginning January 1, 2025, "sales" include leases and rentals of most tangible personal property. See Informational Bulletin FY 2025-15.

2 For more information on "origin-based" and "destination-based" sales, see the Leveling the Playing Field for Illinois Retail Act resource page.

3 For sales sourced to Cook County, the "County Portion" is distributed to the Regional Transportation Authority (RTA).

4 Use Tax for RUT-50 returns is not a percent based tax. Tax is a flat rate based on purchase price. See RUT-50 for more info.

Locally Imposed Sales and Use Taxes Administered by IDOR

In addition to the state sales and use taxes, local taxing bodies may impose, by ordinance or referendum, one or more local sales and use taxes. The locally imposed sales and use taxes listed below are imposed on sales sourced to the jurisdiction listed, administered by IDOR, and distributed to the applicable local taxing bodies. For information on how to determine if a sale is sourced to a given local jurisdiction, see the Leveling the Playing Field for Illinois Retail Act resource page and 86 Ill. Adm. Code 270.115. Please note that local governments may also impose additional taxes that are not administered by IDOR.

GM=General Merchandise Groc=Grocery DM=Drugs and Medical Appliances TRI=Titled or Registered Items

Locally Imposed Sales and Use Taxes administered by IDOR	Tax Amount	Max.	GM	Groc	DM	TRI	Statutes
Municipality							
Business District Development and Redevelopment Sales Tax Distributed to the municipality[1]	0.25% increments	1%	Y	N	N	N	65 ILCS 5/11-74.3-1 et seq.
Home Rule Municipal Sales Tax Distributed to the municipality[1]	0.25% increments	NA	Y	N	N	N	65 ILCS 5/8-11-1
Non-Home Rule Municipal Sales Tax Distributed to the municipality[1]	0.25% increments	1%[2]	Y	N	N	N	65 ILCS 5/8-11-1.3, 65 ILCS 5/8-11-1.6
Home Rule Municipal Use Tax (on titled or registered items)[3] Distributed to the municipality[1]	0.25% increments	NA	N	N	N	Y	65 ILCS 5/8-11-6
Municipal Grocery Occupation Tax Distributed to the municipality	1%	NA	N	Y	N	N	65 ILCS 5/8-11-24
County							
Special County Retailers' Occupation Tax for Public Safety, Public Facilities, Mental Health, Substance Abuse, or Transportation Distributed to the county[1]	0.25% increments	NA	Y	N	N	N	55 ILCS 5/5-1006.5
County Flood Prevention Sales Tax Distributed to the county[1]	0.25% increments	NA	Y	N	N	N	70 ILCS 750/25
County School Facility and Resources Sales Tax Distributed to the Regional Superintendent of Schools[1]	0.25% increments	1%	Y	N	N	N	55 ILCS 5/5-1006.7
County Home Rule Sales Tax Distributed to the county[1]	0.25% increments	NA	Y	N	N	N	55 ILCS 5/5-1006
County Grocery Occupation Tax Distributed to the county	1%	NA	N	Y	N	N	55 ILCS 5/5-1006.9
Districts and Authorities							
Metro-East Mass Transit District (MED) Sales Tax[4] Distributed to Madison and St. Clair counties' MED[1]	0.25% increments	0.75%	Y	Y	Y	Y	70 ILCS 3610/5.01
Metro-East Mass Transit District Vehicle Fee Distributed to Madison and St. Clair Counties' MED[1]	the lesser of 0.50% or $20	NA	N	N	N	Y	70 ILCS 3610/5.01(d-6)
Metro-East Park and Recreation District Sales Tax Distributed to the Metro-East Park and Recreation District[1]	0.10%	NA	Y	N	N	N	70 ILCS 1605/30
Regional Transportation Authority (RTA) Sales Tax (Cook County)[4] Distributed to the RTA[1]	1%-GM 1.25%-Groc & DM 1%-TRI	NA	Y	Y	Y	Y	70 ILCS 3615/4.03
Regional Transportation Authority (RTA) Sales Tax (Collar Counties-DuPage, Kane, Lake, McHenry, Will)[4] Distributed to the RTA[1]	0.75%	NA	Y	Y	Y	Y	70 ILCS 3615/4.03

[1] Administrative fees are retained by the state to offset the costs for administering locally imposed sales and use taxes. The fee rate is a percentage of the amount of local tax allocated to the local government. See the specific statutes for the current administrative fee rates.

[2] Non-Home Rule Municipal Sales Taxes authorized under 65 ILCS 5/8-11-1.6 have no maximum amount.

[3] The Home Rule Municipal Use Tax Act authorizes home rule municipalities to impose a use tax on titled and registered property purchased at retail and Chicago to impose a use tax on general merchandise. The only tax IDOR administers under this section is Chicago's Home Rule Municipal Use Tax on titled and registered property purchased at retail.

[4] In addition to the retailers' occupation tax provision of the Metro-East Mass Transit District (MED) Sales Tax and the Regional Transportation Authority (RTA) Sales Tax, there is also a use tax provision, which is imposed on titled or registered tangible personal property that is purchased outside the district at retail by a purchaser whose Illinois address for titling or registration purposes is in the district.

Examples

The examples below list possible ROT rates imposed on an origin-based sale or a destination-based sale of $100 that is sourced to the location listed.

Example 1: General Merchandise - City of Chicago (Cook County)[1]

	Name of Tax	Rate	Tax on $100 sale	Admin. Fee Rate	Admin. Fees retained by IL	Amount Distributed	Where Distributed
State Tax	State Portion of the State Tax	5.00%	$5.00	NA	NA	$5.00	State of Illinois
	Municipality Portion of the State Tax[2]	+ 1.00%	$1.00	NA	NA	$1.00	Chicago
	Countywide Portion of the State Tax[3]	+ 0.25%	$0.25	NA	NA	$0.25	RTA
	State Tax Total	6.25%	$6.25	NA	NA	$6.25	-
Local Taxes	RTA Tax	+ 1.00%	$1.00	1.5%	$0.02	$0.98	RTA
	Chicago Home Rule Tax	+ 1.25%	$1.25	1.5%	$0.02	$1.23	Chicago
	Cook County Home Rule Tax	+ 1.75%	$1.75	1.5%	$0.03	$1.72	Cook County
Totals		10.25%	$10.25	-	$0.07	$10.18	-

Total Distributions for Example 1:	State of Illinois	Chicago	Cook County	RTA
	$5.07 (includes Admin. Fees)	$2.23	$1.72	$1.23

Example 2: Qualifying Grocery - City of Rolling Meadows (Cook County)

	Name of Tax	Rate	Tax on $100 sale	Admin. Fee Rate	Admin. Fees retained by IL	Amount Distributed	Where Distributed
Local Taxes	RTA Tax	1.25%	$1.25	1.5%	$0.02	$1.23	RTA
	Rolling Meadows Grocery	+ 1.00%	$1.00	NA	NA	$1.00	Rolling Meadows
Totals		2.25%	$2.25	-	$0.02	$2.23	-

Total Distributions for Example 2:	State of Illinois	Rolling Meadows	RTA
	$0.02 (Admin. Fees)	$1.00	$1.23

Example 3: Qualifying Drugs and Medical Appliances - City of Chicago (Cook County)

	Name of Tax	Rate	Tax on $100 sale	Admin. Fee Rate	Admin. Fees retained by IL	Amount Distributed	Where Distributed
State Tax	Municipality Portion of the State Tax[2]	1.00%	$1.00	NA	NA	$1.00	Chicago
	State Tax Total	1.00%	$1.00	NA	NA	$1.00	-
Local Tax	RTA Tax	+ 1.25%	$1.25	1.5%	$0.02	$1.23	RTA
Totals		2.25%	$2.25	-	$0.02	$2.23	-

Total Distributions for Example 3:	State of Illinois	Chicago	RTA
	$0.02 (Admin. Fees)	$1.00	$1.23

Example 4: Titled or Registered Items - City of Chicago (Cook County)

	Name of Tax	Rate	Tax on $100 sale	Admin. Fee Rate	Admin. Fees retained by IL	Amount Distributed	Where Distributed
State Tax	State Portion of the State Tax	5.00%	$5.00	NA	NA	$5.00	State of Illinois
	Municipality Portion of the State Tax[2]	+ 1.00%	$1.00	NA	NA	$1.00	Chicago
	Countywide Portion of the State Tax[3]	+ 0.25%	$0.25	NA	NA	$0.25	RTA
	State Tax Total	6.25%	$6.25	NA	NA	$6.25	-
Local Taxes	RTA Tax	+ 1.00%	$1.00	1.5%	$0.02	$0.98	RTA
	Chicago Home Rule Tax[4]	+ 1.25%	$1.25	1.5%	$0.02	$1.23	Chicago
Totals		8.50%	$8.50	-	$0.04	$8.46	-

Total Distributions for Example 4:	State of Illinois	Chicago	RTA
	$5.04 (includes Admin. Fees)	$2.23	$1.23

Examples continued on next page.

Examples, continued

Example 5: General Merchandise - Northeast Business District in Collinsville (Madison County)							
	Name of Tax	Rate	Tax on $100 sale	Admin. Fee Rate	Admin. Fees retained by IL	Amount Distributed	Where Distributed
State Tax	State Portion of the State Tax	5.00%	$5.00	NA	NA	$5.00	State of Illinois
	Municipality Portion of the State Tax[2]	+ 1.00%	$1.00	NA	NA	$1.00	Collinsville
	Countywide Portion of the State Tax[3]	+ 0.25%	$0.25	NA	NA	$0.25	Madison County
	State Tax Total	6.25%	$6.25	NA	NA	$6.25	-
Local Taxes	Collinsville Home Rule Tax	+ 1.25%	$1.25	1.5%	$0.02	$1.23	Collinsville
	County Flood Prevention Tax	+ 0.25%	$0.25	2.0%	$0.01	$0.24	Madison County
	MED Sales Tax	+ 0.25%	$0.25	1.5%	$0.00[5]	$0.25	Madison County Metro East Mass Transit District (MED)
	Metro East Park & Recreation District Tax	+ 0.10%	$0.10	1.5%	$0.00[5]	$0.10	Metro East Park and Recreation District
	Business District Tax[6]	+ 1.00%	$1.00	2.0%	$0.02	$0.98	Collinsville
Totals		9.10%	$9.10	-	$0.05	$9.05	-

Total Distributions for Example 5:	State of Illinois	Collinsville	Madison County	MED	Metro East Park & Rec. District
	$5.05 (includes Admin. Fees)	$3.21	$0.49	$0.25	$0.10

[1] While this example applies to most items of general merchandise, please note that if the item is prepared food, alcoholic beverages, and soft drinks sold for immediate consumption inside the MPEA boundaries, an additional 1% tax applies (which would be distributed to the MPEA less administrative fees); and if the item is a canned or bottled soft drink sold in Chicago, an additional 3% tax applies (which would be distributed to Chicago less administrative fees).

[2] If the sale is in the unincorporated area of a county, this portion will go to the county.

[3] For sales sourced to Cook County, the “County Portion” is distributed to the Regional Transportation Authority (RTA).

[4] Chicago Home Rule Use Tax on titled or registered items is imposed on vehicles or trailers purchased at retail and titled and registered to a Chicago address.

[5] Rounded to $0.00.

[6] Imposed on sales sourced to an address in the business district.

Note: Beginning June 1, 2026, the Regional Transportation Authority (RTA) will be known as the Northern Illinois Transit Authority (NITA).

The information included in this document is current as of the date of publication. This document is to inform you of how sales and use taxes are distributed; it does not replace statutes, rules and regulations, or court decisions.

NOTE: This document addresses sales and use tax distributions and does not cover distributions of taxes from, for example, Cannabis, Aviation Fuel, Automobile Renting, Rental Purchase Agreements, Chicago Soft Drink, MPEA Food and Beverage, Telecommunications, Electricity, Water and Sewer, Hotel, or Motor Fuel.