

Municipal Grocery Occupation Tax – SAMPLE

ORDINANCE NO. _____

Municipal Grocery Retailers' Occupation Tax and Municipal Grocery Service Occupation Tax

Section 1. Tax imposed. A tax is hereby imposed upon all persons engaged in the business of selling groceries, as defined in the Municipal Grocery Occupation Tax Law, at retail in this municipality at the rate of 1% of the gross receipts from such sales made in the course of such business while this Ordinance is in effect; and a tax is hereby imposed upon all persons engaged in this municipality in the business of making sales of service, at the rate of 1% of the selling price of all groceries, as defined in the Municipal Grocery Occupation Tax Law, transferred by such serviceman as an incident to a sale of service.

The imposition of these taxes is in accordance with and subject to the provisions of the Municipal Grocery Occupation Tax Law (65 ILCS 5/8-11-24).

Section 2. Illinois Department of Revenue to administer. The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Department of Revenue shall have full power to administer and enforce the provisions of this Ordinance.

Section 3. Clerk to file Ordinance with Illinois Department of Revenue. The Municipal Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before (choose one: [April 1, 20__] or [October 1, 20__]).

Section 4. Effective date. The taxes imposed by this Ordinance shall take effect on the later of (i) January 1, 2026; (ii) the first day of July next following the adoption and filing of this Ordinance with the Department of Revenue, if filed on or before the preceding April 1st or (iii) the first day of January next following the adoption and filing of this Ordinance with the Department of Revenue, if filed on or before the preceding October 1st.

Section 5. Repeal of conflicting provisions. All ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of the conflict, expressly repealed on the effective date of this Ordinance.

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THE FOLLOWING NOTES ARE NOT PART OF THE ORDINANCE AND SHOULD NOT APPEAR IN THE ADOPTED ORDINANCE, BUT SHOULD BE CONSIDERED WHEN DRAFTING THE ORDINANCE.

DISCLAIMER: This sample document is offered as a service to units of local government to assist them in using a proper format when imposing a tax that the Illinois Department of Revenue is required by law to administer. This sample document does not take the place of legal advice. If you choose to use this sample document, however, and you properly complete and adopt it and file a certified copy of it with the Department, the Department will administer the tax. Please keep in mind that your local government attorney should always be consulted regarding the legality and appropriateness of the legislation that you are considering. He or she can help you modify sample documents, if necessary, to fit your community's specific needs.

1% rate requirement: If imposed, the Municipal Grocery Occupation Taxes must be imposed at a 1% rate.

April 1 and October 1 deadlines: This tax may be imposed or discontinued or the tax rate changed at only one of two times each year - January 1 or July 1.

- **October 1 deadline:** To take effect on January 1, an ordinance must be adopted and a certified copy filed with the Illinois Department of Revenue by October 1.

- **April 1 deadline:** To take effect on July 1, an ordinance must be adopted and a certified copy filed with the Illinois Department of Revenue by April 1.

Earliest effective date is January 1, 2026: Please note that the statute provides that the earliest date on which a Municipal Grocery Occupation Tax may take effect is January 1, 2026. (65 ILCS 5/8-11-24)