

Retailers' Occupation Tax And General Tax Acts Chapter Index

Purpose

This chapter is meant to introduce the auditor to the various taxes administered by the Illinois Department of Revenue that are commonly and generically referred to as "Sales and Use" taxes. Their specific names, rates, effective dates, and filing requirements are briefly explained in this chapter. The other chapters in this manual should be relied upon for more specific information about the proper application of these taxes to various factual situations.

Disclaimer

This audit manual is designed for internal staff-use only and is intended to provide general information on selected topics to assist Illinois Department of Revenue ("Department" or "IDOR") auditors in the completion of their audits. The contents of this audit manual must not be relied upon for decision making or as a substitute for the official text of statutes, administrative rules, and case law. This manual does not carry the weight or effect of law and is only informational in nature. Auditors must conduct audits in accordance with the pertinent statutes, administrative rules, and case law.

Citations to statutes, regulations, or case law are included to assist the auditors in locating the relevant legal authority as a basis for conducting audits. The manual may be amended at any time without notice by the Department. Nothing in this manual shall contradict the official text of statutes, administrative rules, or case law. In case of any unintended inconsistency, the official text of statutes, administrative rules, and case law controls and must be followed. The Department's Director, General Counsel, and Legal Services Bureau do not sanction any deviation by the Department staff from the official text of statutes, administrative rules, or case law in the performance of job functions.

This manual does not constitute written legal advice or guidance from the Department or its staff to taxpayers or the general public, nor does it give rise to any claim under the Taxpayers' Bill of Rights.

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"Sales tax" is imposed on a seller's receipts from sales of tangible personal property for use or consumption. Tangible personal property does not include real estate, stocks, bonds, or other "paper" assets representing an interest.

The term "sales tax" actually refers to several tax acts. Sales tax is a combination of "occupation" taxes that are imposed on retailers' receipts and "use" taxes that are imposed on amounts paid by purchasers. Sellers (retailers) owe the occupation tax to the department; they reimburse themselves for this liability by collecting use tax from the buyers. "Sales tax" is the combination of all state, local, mass transit, water commission, home rule occupation and use, non-home rule occupation and use, park district, county public safety taxes, business district taxes and county school facilities taxes which are imposed on the sale, by a retailer, of tangible personal property.

If the seller (retailer) does not charge Illinois Sales Tax, the purchaser must pay the Use Tax directly to the department.

Illinois Sales Tax has three rate structures — one for general merchandise; one for qualifying food, drugs, and medical appliances; and another for items required to be titled or registered (i.e., vehicles).

1) "**General merchandise**" includes sales of most tangible personal property (not real property) including, but not limited to sales of:

- soft drinks and candy ("candy" does not include any preparation that contains flour or requires refrigeration);
- prepared food such as food purchased at a restaurant;
- prewritten and "canned" computer software;
- prepaid telephone calling cards and other prepaid telephone calling arrangements;
- repair parts and other items transferred or sold in conjunction with providing a service under certain circumstances based on the actual selling price;
- grooming and hygiene products;
- and Adult use cannabis [[410 ILCS 130](#)].

2) "**Qualifying food, drugs, and medical appliances**" applies to food not prepared by the retailer for immediate consumption, such as grocery store food items. "Qualifying food, drugs, and medical appliances" include, but are not limited to:

- food that has not been prepared for immediate consumption, such as most food sold at grocery stores, excluding hot foods, alcoholic beverages, candy, and soft drinks;
- prescription medicines and nonprescription items claimed to have medicinal value, such as aspirin, cough medicine, and medicated hand lotion, excluding grooming and hygiene products; and
- prescription and nonprescription medical appliances that directly replace a malfunctioning part of the human body, such as corrective eyewear, contact lenses, prostheses, insulin syringes, and dentures.
- See [Regulation 130.310](#) and [Regulation 130.311](#).

3) "**Items required to be titled or registered**" include:

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- motor vehicles, ATVs, watercraft, aircraft, trailers, and mobile homes; and
- motor vehicles, aircraft, and vessels owned by a business when that business moves into or relocates to Illinois.
- See Regulations Part [151](#), [152](#), and [153](#).

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The following non-inclusive list of sales related tax types are administered by the Illinois Department of Revenue:

SALES AND USE TAXES

- Retailers' Occupation Tax 35 ILCS 120/
- Use Tax 35 ILCS 105/
- Service Occupation Tax 35 ILCS 115/
- Service Use Tax 35 ILCS 110/
- Regional Transportation Authority Retailers' Occupation Tax 70 ILCS 3615/
- Regional Transportation Authority Use Tax 70 ILCS 3615/
- Regional Transportation Authority Service Occupation Tax 70 ILCS 3615/
- Metro-East Mass Transit District Retailers' Occupation Tax 70 ILCS 3610/
- Metro-East Mass Transit District Use Tax 70 ILCS 3610/
- Metro-East Mass Transit District Service Occupation Tax 70 ILCS 3610/
- Metro-East Park and Recreation District Tax 70 ILCS 1605/
- Home Rule County Retailers' Occupation Tax 55 ILCS 5/5-1006
- Home Rule County Service Occupation Tax 55 ILCS 5/5-1007
- Home Rule Municipal Retailers' Occupation Tax 65 ILCS 5/8-11-1
- Home Rule Municipal Use Tax 65 ILCS 5/8-11
- Home Rule Municipal Service Occupation Tax 65 ILCS 5/8-11-5
- Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax 65 ILCS 5/8-11-6b
- Chicago Home Rule Use Tax 65 ILCS 5/8-11-6
- Non-Home Rule Municipal Retailers' Occupation Tax 65 ILCS 5/8-11-1.3
- Non-Home Rule Municipal Service Occupation Tax 65 ILCS 5/8-11-1.4
- County Water Commission Retailers' Occupation Tax 70 ILCS 3720/
- County Water Commission Use Tax 70 ILCS 3720/
- County Water Commission Service Occupation Tax 70 ILCS 3720/
- Metropolitan Pier and Exposition Authority Food and Beverage Tax 70 ILCS 210/13
- Metropolitan Pier and Exposition Authority Hotel Tax 70 ILCS 210/13
- Metropolitan Pier and Exposition Authority (MPEA) Automobile Renting Occupation Tax 70 ILCS 210/13(d)
- Metropolitan Pier and Exposition Authority (MPEA) Automobile Renting Use Tax 70 ILCS 210/13(e)
- County Public Safety Retailers' Occupation Tax 55 ILCS 5
- County Public Safety Service Occupation Tax 55 ILCS 5
- County School Facility Occupation Tax 55 ILCS 5
- Business District Retailers' Occupation Tax 65 ILCS 5/11-74.3-1 to 11-74.3-6
- Tire User Fee 415 ILCS 5/55.8
- Municipal Automobile Renting Occupation Tax 65 ILCS 5/8-11-7
- Municipal Automobile Renting Use Tax 65 ILCS 5/8-11-8
- Automobile Renting Occupation Tax 35 ILCS 155/
- Automobile Renting Use Tax 35 ILCS 155/
- County Automobile Renting Occupation Tax 55 ILCS 5/5-1032
- County Automobile Renting Use Tax 55 ILCS 5/5-1033
- Metro-East Mass Transit District (MED) Automobile Renting Occupation Tax 70 ILCS 3610/5.02

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- Metro-East Mass Transit District (MED) Automobile Renting Use Tax 70 ILCS 3610/5.02
- Regional Transportation Authority (RTA) Automobile Renting Occupation Tax 70 ILCS 3615/4.03.1

VEHICLE TAXES *Review the Chapter 12 Sales Tax Audit Manual

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General [Sales & Use Tax Forms](#) -

Form ST-1, Sales and Use Tax Return

- If the taxpayer's average monthly liability is greater than \$200, a *monthly* return is due the 20th day of the month following the month for which the return is filed or the next business day if the 20th falls on a Saturday, Sunday, or holiday.
- If the taxpayer's average monthly liability is between \$50 and \$200, a *quarterly* return is due the 20th day of the month following the quarter for which the return is filed or the next business day if the 20th falls on a Saturday, Sunday, or holiday.
- If the taxpayer's average monthly liability is less than \$50, an *annual* return is due January 20th of the year following the year for which the return is filed or the next business day if the 20th falls on a Saturday, Sunday, or holiday.
- Retailers whose annual gross receipts average \$20,000 or more, are required to file returns electronically.
- If the monthly liability is \$20,000 or more, quarter monthly payments are due on the 7th, 15th, 22nd, and the last day of the month.

PST-1: Prepaid Sales Tax

- Due no later than the 20th of the month following the end of the liability period or the next business day if the 20th falls on a Saturday, Sunday, or holiday.

ST-44: Illinois Use Tax Return

- If the total tax liability for the year (January 1 through December 31) is \$600 or less, the tax for the entire year is due on or before April 15 of the following year; or
- If the total tax liability for the year (January 1 through December 31) is greater than \$600, the tax is due by the last day of the month following the month in which the purchase was made.
- Must be filed on purchases where tax was not paid to the Department.

[Metropolitan Pier & Exposition Authority \(MPEA\) Food & Beverage Tax](#) -

ST-4: Metropolitan Pier and Exposition Authority Food and Beverage Tax Return

- Due no later than the 20th of the month following the end of the liability period or the next business day if the 20th falls on a Saturday, Sunday, or holiday. The reporting period is the same as the reporting requirements of the ST-1 return.

[Chicago Home Rule Municipal Soft Drink Retailers Occupation Tax](#) -

ST-14: Chicago Soft Drink Tax Return

- Due no later than the 20th of the month following the end of the liability period or the next business day if the 20th falls on a Saturday, Sunday, or holiday.

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The Retailers' Occupation Tax is an occupation tax on persons engaged in the business of selling tangible personal property at retail. It is measured by gross receipts from sales at retail of tangible personal property. In general, this includes all goods, wares, merchandise, and commodities of all kinds. Trades, exchanges, barter, etc., are taxable, as well as sales for a monetary consideration. The seller is required to value in terms of money the consideration received where all or a part of payment is in the form of property or services.

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Use the [Tax Rate Database](#) to look up all applicable sales tax rates.

State rate: Retailers' Occupation Tax and Service Occupation Tax

- General merchandise: 6.25 percent.
- Qualifying food, drugs, and medical appliances*: 1 percent
- Titled or registered items: 6.25 percent.

State rate: Use Tax/Service Use Tax

- General merchandise: 6.25 percent.
- Qualifying food, drugs, and medical appliances*: 1 percent
- Titled or registered items: 6.25 percent.

**Beginning July 1, 2022, and until July 1, 2023, with respect to food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, and food that has been prepared for immediate consumption), the tax is imposed at the rate of 0%. [35 ILCS 120/2-10](#)*

[50 ILCS 753/1 to 999](#)

The Prepaid Wireless E911 Surcharge is a charge imposed on the consumer, to be collected by sellers, when a retail transaction takes place which includes prepaid wireless telecommunications service. This surcharge has been implemented to ensure that funding for the emergency assistance (9-1-1 service) is maintained with equal contribution from consumers of prepaid wireless telecommunications service.

Note: This surcharge does not change previously established sales tax obligations on prepaid services.

Prepaid wireless telecommunications service is service that must be paid for in advance and is sold in predetermined units or dollars. As the predetermined units are used the amount remaining available for use declines in a known amount. Examples include prepaid calling cards and minutes added to “pay-as-you-go” phones.

All exemptions that apply for other Sales and Use Taxes are effective for the Prepaid Wireless E911 Surcharge.

Actual tax rates throughout the state vary because, in addition to state taxes, the local taxing bodies listed below have imposed other taxes that are administered and collected by the state.

3.7.1 REGIONAL TRANSPORTATION AUTHORITY (RTA) [70 ILCS 3615/1.01 et. seq.](#)

Effective November 1, 1979, the Regional Transportation Authority (RTA) passed ordinances imposing the occupation tax in the six county Chicago metropolitan region consisting of Cook, DuPage, Kane, Lake, McHenry, and Will counties.

- ***Regional Transportation Authority (RTA) Retailers' Occupation Tax***
[86 Ill. Adm. Code, Section 320](#)

The Board of Directors of the Regional Transportation Authority is authorized to impose a tax on persons engaged in the business of selling tangible personal property at retail within the metropolitan region as defined in Section 1.03 of the Regional Transportation Authority Act 70 ILCS 3615/1.03 and 3615/4.03

- ***Regional Transportation Authority (RTA) Use Tax***
[86 Ill. Adm. Code, Section 340](#)

If a Regional Transportation Authority Retailers' Occupation Tax is imposed, the Board of Directors of the Regional Transportation Authority may impose a tax upon the privilege of using, in the metropolitan region, any item of tangible personal property which is purchased outside the metropolitan region at retail from a retailer, and which is titled or registered with an agency of this State's government.

- ***Regional Transportation Authority (RTA) Service Occupation Tax***
[86 Ill. Adm. Code, Section 330](#)

The Board of Directors of the Regional Transportation Authority is authorized to impose tax on persons engaged in the business of making sales of service within the Chicago metropolitan region.

3.7.2 Regional Transportation Authority (RTA) Tax Rates

Imposed in Cook County:

- General merchandise:
 - Effective 04/01/08 – 1 percent
- Titled or registered items:
 - Effective 04/01/08 – 1 percent
- Qualifying food, drugs, and medical appliances:
 - Effective 04/01/08 – 1.25 percent

Imposed in the counties of DuPage, Kane, Lake, McHenry, and Will:

- General merchandise:
 - Effective 04/01/08 – 0.75 percent
- Titled or registered items:
 - Effective 04/01/08 – 0.75 percent

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- Qualifying food, drugs, and medical appliances:
 - Effective 04/01/08 – 0.75 percent
- Aviation fuel:
 - Through 12/31/2021 – 0.75 percent
 - Effective 1/1/2022 – 0.50 percent ([FY 2022-09](#))

3.7.3 METRO-EAST MASS TRANSIT DISTRICT (MED) [70 ILCS 3610/5.01](#)

Effective February 1, 1981, the Board of Trustees of the Madison County and St. Clair County Mass Transit Districts passed ordinances imposing a Metro East Mass Transit District (MED) occupation tax.

- ***Metro-East Mass Transit District (MED) Retailers' Occupation Tax***
[70 ILCS 3610/5.01\(b\)](#)
[86 Ill. Adm. Code, Section 370](#)

The Board of Trustees of a Metro East Mass Transit District is authorized to impose a tax on persons engaged in the business of selling tangible personal property at retail within the district as defined in Section 2(i) of the Local Mass Transit District Act.

- ***Metro-East Mass Transit District (MED) Use Tax***
[70 ILCS 3610/5.01\(d\)](#)
[86 Ill. Adm. Code, Section 390](#)

If a Metro East Mass Transit District Retailers' Occupation Tax is imposed, the Board of Trustees of a Metro East Mass Transit District may impose tax upon the privilege of using, in the District, any item of tangible personal property which is purchased outside the District at retail from a retailer, and which is titled or registered with an agency of this State's government.

- ***Metro-East Mass Transit District (MED) Service Occupation Tax***
[70 ILCS 3610/5.01\(c\)](#)
[86 Ill. Adm. Code, Section 380](#)

If a Retailers' Occupation Tax is imposed, the Board of Trustees of a Metro East Mass Transit District is authorized to impose tax on persons engaged in the business of making sales of service within the Metro East Mass Transit District as defined in Section 2(i) of the Local Mass Transit District Act.

3.7.4 Metro-East Mass Transit District (MED) Tax Rates

Imposed in certain townships in Madison County:

- General merchandise: 0.25 percent
- Titled or registered items: 0.25 percent
- Qualifying food, drugs, and medical appliances: 0.25 percent
- Aviation fuel: Effective 12/1/2019 – 0.25 percent plus an additional 0.50 percent on aviation fuel is expended for airport-related purposes.

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Imposed in certain townships in St. Clair County:

- General merchandise: 0.75 percent
- Titled or registered items: 0.25 percent plus an additional Metro-East Mass Transit District Fee of 0.50 percent or \$20, whichever is less
- Qualifying food, drugs, and medical appliances: 0.75 percent
- Aviation fuel: Effective 12/1/2019 – 0.25 percent plus an additional 0.50 percent on aviation fuel is expended for airport-related purposes.

3.7.5 COUNTY WATER COMMISSION TAX (CWCT) [70 ILCS 3720/4](#)

- **COUNTY WATER COMMISSION RETAILERS' AND SERVICE OCCUPATION TAX**
86 Ill. Adm. Code [630](#) and [640](#)

Effective July 1, 1986, the board of commissions of any county water commission is authorized to impose by ordinance an additional occupation tax throughout the territory of the commission. Currently there is only one, the DuPage County Water Commission, which encompasses portions of three counties. The tax must be subject to a referendum and can be imposed upon all retailers and servicepersons. The base amounts subject to tax will be the same as those subject to the State Retailers' Occupation Tax and State Service Occupation Tax. Retailers and servicepersons may reimburse themselves for the tax by passing it on to their customers. A cost of collection discount is NOT allowed for collecting and remitting this tax.

- **COUNTY WATER COMMISSION USE TAX**
[86 Ill. Adm. Code Section 650](#)

The Board of Commissioners of a county water commission may impose a tax upon the privilege of using, in the territory of the Commission, any item of tangible personal property which is purchased outside the territory at retail from a retailer, and which is titled or registered with an agency of this State's government. Such tax shall be collected from persons whose Illinois address for titling or registration purposes is given as being in the territory.

3.7.6 County Water Commission Tax rates

Imposed in all unincorporated DuPage County and all municipalities served by the Water Commission District:

- General merchandise:
 - Through 5/31/16 – 0.25 percent
 - Effective 6/1/2016 – 0 percent
- Titled or registered items:
 - Through 5/31/16 – 0.25 percent
 - Effective 6/1/2016 – 0 percent
- Qualifying food, drugs, and medical appliances: Does not apply

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3.8.1 Home Rule

Statutory

- Home Rule County Retailers' Occupation Tax — [55 ILCS 5/5-1006](#)
- Home Rule County Service Occupation Tax — [55 ILCS 5/5-1007](#)
- Home Rule Municipal Retailers' Occupation Tax — [65 ILCS 5/8-11-1](#)
- Home Rule Municipal Service Occupation Tax — [65 ILCS 5/8-11-5](#)

Effective September 1, 1990, the Illinois Department of Revenue began collecting Home Rule Sales Tax. Home rule units of local government are authorized to impose a Home Rule sales tax to be collected by the department. This tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances.

Home rule units can impose and collect their own excise taxes on utilities, hotels and motels, real estate transfers, restaurants, alcohol, and cigarettes, as well as use tax on automobiles.

Effective December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes.

I. HOME RULE COUNTY RETAILERS' OCCUPATION TAX

55 ILCS 5/5-1006

[86 Ill. Adm. Code Section 220](#)

Any County which is a home rule unit is authorized to impose a tax on all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with this State's government, at retail in the county, on the gross receipts from sales made during such business. This tax will be in addition to any home rule taxes imposed by municipalities within the County.

II. HOME RULE COUNTY SERVICE OCCUPATION TAX

55 ILCS 5/5-1007

[86 Ill. Adm. Code Section 230](#)

The corporate authorities of a home rule county are authorized to impose a tax on persons engaged in the business of making sales of service in such county, at the same rate of tax imposed pursuant to Section 5-1006 of the selling price of all tangible personal property transferred by such serviceman either in the form of tangible personal property or in the form of real estate as an incident to such sale of service.

III. HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX

65 ILCS 5/8-11-1

[86 Ill. Adm. Code Section 270](#)

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3.8 Units Of Local Government That Impose Home Rule, Non-Home Rule, County Public Safety, Or Transportation Tax

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Home Rule Municipalities are authorized to impose a tax on persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with this State's government, at retail within such municipality, on the gross receipts from such sales made during such business.

IV. **HOME RULE MUNICIPAL USE TAX ACT**

65 ILCS 5/8-11-6

[86 Ill. Adm. Code Section 295](#)

The corporate authorities of a home rule municipality may impose a tax upon the privilege of using, in such municipality, any item of tangible personal property which is purchased at retail from a retailer, and which is titled or registered at a location within the corporate limits of such home rule municipality with an agency of this State's government. It is based on the selling price of such tangible personal property, as selling price is defined in the Use Tax Act. If a municipality having 2,000,000 or more inhabitants imposes the tax authorized, then the tax shall be collected by the Illinois Department of Revenue when the property is purchased at retail from a retailer in the county in which the home rule municipality imposing the tax is located, and in all contiguous counties.

V. **HOME RULE MUNICIPAL SERVICE OCCUPATION TAX**

65 ILCS 5/8-11-5

[86 Ill. Adm. Code Section 280](#)

Municipalities are authorized to impose a tax on persons engaged in the business of making sales of service within such municipality, at the same rate of tax imposed pursuant to Section 8-11-1 of the Act on the selling price of tangible personal property transferred by such serviceman either in the form of tangible personal property or in the form of real estate as an incident to such sale of service.

3.8.2 Non-Home Rule

Statutory

- Non-home Rule Municipal Retailers' Occupation Tax — [65 ILCS 5/8-11-1.3](#)
- Non-home Rule Municipal Service Occupation Tax — [65 ILCS 5/8-11-1.4](#)

Public Act 88-334, effective August 13, 1993, authorizes in 65 ILCS 5/8-11-1.6 through 65 ILCS 5/8-11-1.8, the corporate authorities of a non-home rule municipality with a population of more than 20,000 but less than 25,000 that has, prior to January 1, 1987, established a State sales tax TIF (tax increment financing) district and incurred indebtedness exceeding \$5,000,000, to impose a sales tax similar to those granted to home rule units of government in 0.25% increments.

Requires that the ordinance adopted by the city council that imposes, discontinues, or changes a rate of tax to file a certified copy with the Department of Revenue before the first day of October. The Department of Revenue will begin to enforce and administer the tax the following January 1. This Act applies to the city of East Peoria and the effective date is January 1, 1994.

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3.8 Units Of Local Government That Impose Home Rule, Non-Home Rule, County Public Safety, Or Transportation Tax Page 3 (05/2023)

Effective December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes.

- **NON-HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX**
65 ILCS 5/8-11-1.3,
[86 Ill. Adm. Code Section 693](#)

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 during 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. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property at retail in their jurisdiction.

- **NON-HOME RULE MUNICIPAL SERVICE OCCUPATION TAX**
65 ILCS 5/8-11-1.4
[86 Ill. Adm. Code Section 694](#)

On and after January 1, 2002, the corporate authorities of a non-home rule municipality are authorized by the Non-Home Rule Municipal Service Occupation Tax Act [65 ILCS 5/8-11-1.4] to impose the Non-Home Rule Municipal Service Occupation Tax on all persons engaged in the business of making sales of service in 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. The corporate authorities of a non-home rule municipality may impose a tax upon all persons engaged in the business of selling tangible personal property at retail in their jurisdiction.

3.8.3 County Public Safety Or Transportation

[55 ILCS 5/5-1006.5](#)

– **SPECIAL COUNTY RETAILERS' OCCUPATION TAX FOR PUBLIC SAFETY**

"Public safety" includes, but is not limited to, crime prevention, detention, firefighting, police, medical, ambulance, or other emergency services.

This additional tax may not be imposed on tangible personal property titled or registered with an agency of this State's government, or tangible personal property taxed at the 1% rate under the Retailers' Occupation Tax Act (or at the 0% rate imposed under this amendatory Act of the 102nd General Assembly). December 1, 2019, through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

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- **COUNTY PUBLIC SAFETY RETAILERS' OCCUPATION TAX**
[86 Ill. Adm. Code Section 670](#)

The county board of any county may impose a tax upon all persons engaged in the business of selling tangible personal property, other than personal property titled or registered with an agency of this State's government, at retail in the county on the gross receipts from the sales made during business to provide revenue to be used exclusively for public safety or transportation purposes in that county, if a proposition for the tax has been submitted to the electors of that county and approved by a majority of those voting on the question.

- **COUNTY PUBLIC SAFETY SERVICE OCCUPATION TAX**
[86 Ill. Adm. Code Section 680](#)

If a County Public Safety Retailers' Occupation Tax has been imposed, a service occupation tax shall also be imposed at the same rate upon all persons engaged, in the county, in the business of making sales of service, who, as an incident to making those sales of service, transfer tangible personal property within the county as an incident to a sale of service.

Home Rule, Non-Home Rule, County Public Safety, or Transportation Tax Rates

Imposed by ordinance at the local level and administered by the state

- General merchandise: Imposed in increments of 0.25 percent with no maximum rate limit for the home rule and county public safety or transportation tax and a 1 percent limit for the non-home rule tax.
- Titled or registered items: Does not apply
- Qualifying food, drugs, and medical appliances: Does not apply

3.8.4 Chicago Home Rule Use Tax

Effective January 1, 1992, the Illinois Department of Revenue will not collect the home rule use tax except for the Chicago Home Rule Use Tax. Any item that requires a title or registration with deliveries on or after January 1, 1992, must assess the Chicago Home Rule Use Tax if the purchaser's address for titling and registration purposes is within the corporate limits of the city of Chicago. This tax will be included on the ST-556 when purchased from retailers within Cook County or the collar counties (Du Page, Kane, Lake, McHenry, and Will).

If a purchaser's address for titling and registration purposes is within the corporate limits of the city of Chicago and that purchaser has acquired the tangible personal property at retail from a retailer located within Cook County or the collar counties and this tax has not been paid to that retailer, the auditor should pick up this tax in an audit of the purchaser.

Please note that section [86 Ill. Adm. Code 295.101](#) of the Administrative Code incorrectly states that this tax was effective from July 1, 1991, through June 30, 1993. Public Act 88-116 indefinitely extended this tax.

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**3.8 Units Of Local Government That Impose Home Rule, Non-Home Rule, County Public Safety,
Or Transportation Tax** **Page 5 (05/2023)**

NOTE: In home rule municipalities with less than 2,000,000 inhabitants, the tax shall be collected and administered by the municipality imposing the tax from persons whose Illinois address for titling or registration purposes is given as being in such municipality.

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3.9 Units Of Local Government That Impose Metro-East Park And Recreation District Tax Page 1 (05/2023)

[70 ILCS 1605/30](#)

Effective July 13, 1999, Public Act 91-103 created the Metro-East and Recreation District Act. This Act provides that each Metro-East County (Madison and St. Clair counties) may, by resolution, elect to become a part of the District. Each participating county, by front door referendum, may impose a sales tax. The Department is required to collect, enforce, and administer the tax imposed by this Act.

- **METRO-EAST PARK AND RECREATION DISTRICT ROT AND SOT**
86 Ill. Adm. Code Section [395](#) and Section [396](#)

The Metro-East Park and Recreation District Retailers' Occupation Tax is imposed on sales of general merchandise within the district's boundaries. The Metro-East Park and Recreation District Service Occupation Tax imposes a tax on persons engaged in the business of making sales of service within the district. The tax is imposed on the same general merchandise base as the state sales tax, excluding titled or registered tangible personal property (such as vehicles, watercraft, aircraft, trailers, and mobile homes), and qualifying food, drugs, and medical appliances.

Metro-East Park And Recreation District Tax Rates

Imposed by ordinance at the local level and administered by the state (Madison County and St. Clair County are the only counties that impose this tax)

- General merchandise: May only be imposed at the rate of 1/10 percent
- Titled or registered items: Does not apply
- Qualifying food, drugs, and medical appliances: Does not apply
- Aviation fuel: December 1, 2019, through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

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[65 ILCS 5/11-74.3-1 to 11-74.3-6](#)

Effective January 1, 2005, the Business District Development and Redevelopment Law authorized a municipality to create a business district and impose a tax on general merchandise sold within the boundaries of that district. The municipality may impose this tax if it has a development or redevelopment plan for an area of the municipality that

- are contiguous (e.g., parcels are contiguous if they touch or join one another in a reasonably substantial physical sense or if they meet the criteria for annexation to a municipality under Section 7-1-1 of the Code),
- includes only parcels of real property that will directly and substantially benefit from the proposed plan, and
- are blighted, as defined in the Illinois Municipal Code (see 65 ILCS 5/11-74.3-5).

This tax is administered and enforced by the Department of Revenue. The business district sales tax is imposed by the municipality in the form of the Business District Retailers' Occupation Tax and Business District Service Occupation Tax.

When a business district sales tax is established, the Department sends each retailer within the business district, a letter informing them of the tax rate and the date the rate takes effect.

Twice a year, when rate changes take effect, the Department issues an informational bulletin providing the affected locations and the new rates. The bulletin includes rate changes for business districts.

Business district sales taxes are collected on the same items of general merchandise as those reported on Line 4a (General Merchandise, Sales from locations within Illinois) of Form ST-1 and Form ST-2. The sales that are subject to state sales tax are also subject to business district sales tax.

Imposed by ordinance at the local level and administered by the state

- General merchandise: Imposed in increments of 0.25 percent with a 1 percent limit
- Titled or registered items: Does not apply
- Qualifying food, drugs, and medical appliances: Does not apply
- Aviation fuel: Effective December 1, 2019, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes.

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[55 ILCS 5/5-1006.7](#)

Effective October 11, 2007, the county board, of any county, who imposes an Illinois Retailers' and Service Occupation (sales) tax, to be used exclusively for school facility purposes, must be approved by the voters, may only be imposed in one-quarter percent increments, and may not exceed 1%. This tax measure does not apply to Cook County. The effective date of the tax will either be January 1 or July 1 following the approval of the voters and certifications submitted by the impacted county board.

The school facility occupation tax would be imposed upon all persons engaged in selling tangible personal property at retail in the county, other than personal property titled or registered with an Illinois state agency, and upon all persons engaged in selling services who transfer tangible personal property within the county as an incident to a sale of a service. Sellers may reimburse themselves for their tax liability by separately stating the tax as an additional charge.

The tax is administered, collected, and enforced by the Department of Revenue. All taxes and penalties will be deposited into the School Facility Occupation Tax Fund.

The term "school facility purposes" includes the acquisition, development, construction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities as well as fire prevention, safety, energy conservation, disabled accessibility, school security, and specified repairs.

The county board may, by ordinance, discontinue or reduce the rate of a school facility occupation tax. If, however, a school board has issued bonds that are backed by proceeds of the tax, the county board may not reduce the tax rate or discontinue the tax if such action would inhibit the school board's ability to pay the principal and interest on those bonds as they become due.

Imposed by county boards with voter approval and administered by the state.

- General merchandise: Imposed in increments of 0.25 percent with a 1 percent limit
- Titled or registered items: Does not apply
- Qualifying food, drugs, and medical appliances: Does not apply*
- Aviation fuel: December 1, 2019, through December 31, 2020, this tax is not imposed on sales of aviation fuel unless the tax revenue is expended for airport-related purposes. Beginning January 1, 2021, this tax is not imposed on sales of aviation fuel for so long as the revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

***Note:** Certain candy (even though it may be consumed off the premises where it is sold) as well as grooming and hygiene products (even if they may be considered "medicines") are subject to the County School Facility Occupation Tax.

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[65 ILCS 5/8-11-6b](#)

[Publication 116, Chicago Soft Drink Tax](#)

- **CHICAGO HOME RULE MUNICIPAL SOFT DRINK RETAILERS' OCCUPATION TAX**
65 ILCS 5/8-11-6b
[86 Ill. Adm. Code 131.107\(c\)\(1\)\(B\)](#)

Public Act 88-507, effective April 1, 1994, permits the City of Chicago to impose a tax upon all persons engaged in the business of selling soft drinks (other than fountain soft drinks). This tax is to be collected by the Illinois Department of Revenue. Retailers are permitted the standard 1.75% discount for cost of collection. This tax is reported on the ST-14 Chicago Soft Drink Tax Return.

Beginning October 1, 2021, the tax imposed under 65 ILCS 5/8-11-6b(b) upon persons engaged in the business of selling soft drinks within the boundaries of Chicago includes food delivery services that are considered marketplace facilitators. As a marketplace facilitator they are required to remit the Chicago Soft Drink Tax on sales made on behalf of a restaurant or other food establishment, if the soft drinks are shipped or delivered to an address in Chicago.

Public Act 88-507 also authorizes the City of Chicago to impose a tax on persons engaged in the business of selling fountain soft drinks at retail at a rate not to exceed 9% of the cost price of the fountain soft drinks. This tax is to be collected by the City of Chicago. This tax should not be included in gross receipts when calculating Retailers' Occupation Tax.

Except for Chicago, this Act prohibits municipalities from imposing any additional tax on the sale, purchase, or use of soft drinks regardless of the measure of the tax.

The city of Chicago imposes a 3% tax upon all persons engaged in the business of selling soft drinks (other than fountain soft drinks) which is administered by the Department of Revenue.

- General merchandise: Does not apply
- Titled or registered items: Does not apply
- Qualifying food, drugs, and medical appliances: Only applies to soft drinks (other than fountain soft drinks).

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[70 ILCS 210/13](#)**3.13.1 METROPOLITAN PIER AND EXPOSITION AUTHORITY RETAILERS' OCCUPATION TAX**

AKA: Metropolitan Pier and Exposition Authority (MPEA) Food and Beverage Tax -

Statutory Reference - 70 ILCS 210/13(b)

[Publication 117](#)

86 Ill. Adm. Code 131.107(c)(1)(C)

The Metropolitan Pier and Exposition Authority (MPEA) Food and Beverage tax is a local retailers' occupation tax administered by the Illinois Department of Revenue (IDOR). The tax is imposed on sales, within MPEA boundaries, of food prepared for immediate consumption, alcoholic beverages, and soft drinks.

The taxpayer must collect and pay the MPEA Food and Beverage tax if they make retail sales of prepared food, alcoholic beverages, or soft drinks from locations within the MPEA boundaries and their sales are for consumption

- on the premises;
- off the premises, if more than 50 percent of gross receipts are from the sale of prepared food, alcoholic beverages, and soft drinks prepared for immediate consumption; or
- on boats and other watercraft, such as tour boats, departing from and returning to the shoreline of Lake Michigan, whose business locations are within the MPEA boundaries.

In general, if taxpayers are selling prepared food, alcoholic beverages, or soft drinks for which sales tax is collected and paid at the "high rate" (under Step 3: Tax on Receipts, Lines 4a (General Merchandise, Sales from locations within Illinois) and 4b (General Merchandise – Tax) on Form ST-1, Sales and Use Tax and E911 Surcharge Return), they must collect and pay the MPEA Food and Beverage tax.

This includes restaurants, coffee shops, cafeterias, concession stands, snack shops, street vendors, and food delivery services that are marketplace facilitators.

Note: For **street vendors**, the MPEA Food and Beverage tax is due for prepared food and beverages sold within the MPEA boundaries, no matter where the vendor's permanent business is located.

Note: For **food delivery services**, the MPEA Food and Beverage tax is due for the delivery of food and beverages to any address when the food or beverage is sold by a food or beverage establishment located within MPEA boundaries.

Beginning October 1, 2021, the tax imposed under 70 ILCS 210/13 upon persons engaged in the business of selling food, alcoholic beverages, and soft drinks within the boundaries of the Metropolitan Pier and Exposition Authority (MPEA ROT). Food delivery services that are considered marketplace facilitators are required to remit the MPEA ROT on sales made on behalf of a restaurant or other food establishment that is subject to the MPEA ROT.

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3.13.2 METROPOLITAN PIER AND EXPOSITION AUTHORITY HOTEL TAX

70 ILCS 210/13(c)

The MPEA imposes an occupation tax upon all persons engaged in the corporate limits of the City of Chicago in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act, at a rate of 2.5% of the gross rental receipts from the renting, leasing, or letting of hotel rooms within the City of Chicago, excluding, however, from gross rental receipts the proceeds of renting, leasing, or letting to permanent residents of a hotel. This is reported on Form RHM-1 Hotel Operators' Occupation Tax Return.

3.13.3 MPEA AUTOMOBILE RENTING OCCUPATION AND USE TAX

70 ILCS 210/13(d & e)

The MPEA imposes a tax upon all persons engaged in the business of renting automobiles in the metropolitan area at the rate of 6% of the gross receipts from that business, except that no tax shall be imposed on the business of renting automobiles for use as taxicabs or in livery service. This tax is reported by filing Form ART-1, Automobile Renting Occupation and Use Tax Return and the ART-2 if there are multiple locations.

Local governments may impose additional taxes such as the 1% Prepared Food, Beverage & Packaged Liquor Tax (city of Elmhurst) or Chicago Checkout Bag Tax that are not administered by the state.