



informational

Bulletin

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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Municipalities and Counties may impose a local Cannabis Retailers' Occupation Tax beginning July 1, 2020

To: All Illinois Municipal and County Governments

Effective immediately, this bulletin **supersedes** *Informational Bulletin FY 2020-06, Municipalities and Counties may impose a local Cannabis Retailers' Occupation Tax beginning September 1, 2020.*

[Public Act 101-0593](#) adjusted the earliest date that municipalities and counties can impose, by ordinance, a tax upon all persons engaged in the business of selling cannabis, other than medical cannabis, at retail in the municipality or county on the gross receipts from cannabis sales.

What is the tax rate that counties and municipalities can impose by ordinance on retail sales of cannabis?

Municipalities may impose a tax on retail sales of cannabis, other than medical cannabis, at a rate that may not exceed 3%, imposed in one-quarter percent (0.25%) increments. Counties may impose a tax (also in one-quarter percent increments) on retail sales of cannabis, other than medical cannabis, at the following rates:

- In unincorporated areas of the county, the rate may not exceed 3.75%.
- In a municipality located in the county, the rate may not exceed 3%.

As with any local government tax administered by the Illinois Department of Revenue (IDOR), municipalities and counties must submit their ordinances to IDOR by a statutory deadline in order to begin imposing the tax.

When must counties and municipalities submit cannabis ordinances to IDOR for those ordinances to take effect on July 1, 2020?

The law provides that if a proper ordinance is adopted and filed with IDOR **on or before April 1, 2020**, then IDOR will administer and enforce the tax beginning on July 1, 2020. Ordinances filed on or after April 2, 2020, but on or before October 1, 2020, will be implemented by IDOR on January 1, 2021. Municipalities and counties should submit their ordinances to the following address:

LOCAL TAX ALLOCATION DIVISION (3-500)
ILLINOIS DEPARTMENT OF REVENUE
101 W JEFFERSON
SPRINGFIELD IL 62702