



Publication 116

Chicago Soft Drink Tax

January 2022

The information in this publication is current as of the date of the publication. Please visit our website at tax.illinois.gov to verify you have the most current revision.

This publication is written in the plain English style so the tax information is easier to understand. As a result, we do not directly quote Illinois statutes or the Illinois Administrative Code. The contents of this publication are informational only and do not take the place of statutes, rules, or court decisions. For many topics covered in this publication, we have provided a reference to the applicable section or part of the Illinois Administrative Code for further clarification or more detail. All of the sections and parts referenced can be found in Title 86 of the Code.

About this publication

Knowing how Illinois tax laws apply to your business can save you time and money. The information included in this publication will supply you with the general sales tax information most Chicago soft drink retailers need, help you collect the proper amount of tax due, and help you file your returns correctly.

As a retailer of canned or bottled soft drinks in Chicago, you are responsible for

- collecting the correct amount of tax on every applicable soft drink sale you make,
- properly documenting the tax-exempt sales you make,
- sending a payment for the tax owed along with your properly completed **Form ST-14, Chicago Soft Drink Tax Return**, by the due date, to the Illinois Department of Revenue, and
- keeping complete and accurate books and records for all soft drink sales.

Taxpayer Bill of Rights

You have the right to call the Illinois Department of Revenue (IDOR) for help in resolving tax problems.

You have the right to privacy and confidentiality under most tax laws.

You have the right to respond, within specified time periods, to IDOR notices by asking questions, paying the amount due, or providing proof to refute IDOR's findings.

You have the right to appeal IDOR decisions, in many instances, within specified time periods, by asking for IDOR review or by taking the issue to court.

If you have overpaid your taxes, you have the right, within specified time periods, to a credit (or, in some cases, a refund) of that overpayment.

For more information about these rights and other IDOR procedures, you may write us at the following address:

**PROBLEMS RESOLUTION OFFICE
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19014
SPRINGFIELD, IL 62794-9014**

Get forms and other information faster and easier at tax.illinois.gov

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Legal Reference

For statutory information, please see [65 ILCS 5/8-11-6b](#).

Overview

The Chicago Home Rule Municipal Soft Drink Occupation Tax is imposed on retailers of canned or bottled soft drinks in the city of Chicago including

- in-state retailers located in the city of Chicago;
- out-of-state retailers with selling activity in the city of Chicago (i.e. physical presence, see, e.g., [86 Ill. Adm. Code 270.115](#)) OR with sales of inventory located in the city of Chicago;
- remote retailers without physical presence or inventory in Illinois who meet or exceed a tax remittance threshold and make sales to purchasers in the city of Chicago;
- marketplace facilitators whose marketplace meets or exceeds a tax remittance threshold and who make sales over the marketplace to purchasers in the city of Chicago on behalf of marketplace sellers; and
- marketplace facilitator's own sales when:
 - ▶ they are making sales fulfilled from inventory located in Chicago, or the selling activities otherwise occur in Chicago or
 - ▶ they meet or exceed a tax remittance threshold, the selling activity is conducted outside Illinois, and they are shipping a soft drink to an address located in the city of Chicago.

"Soft drinks" include (but are not limited to):

- soda;
- sport or energy drink;
- sweetened tea;
- waters containing natural or artificial sweeteners;
- beverages containing 50 percent or less fruit or vegetable juice; and
- all other preparations commonly known as soft drinks.

The following list includes examples of drinks that are not included in the definition of soft drinks:

- fountain drinks;
- unsweetened teas;
- coffee;
- beverages containing milk or milk products;
- infant formula;
- soy, rice, or similar milk substitutes;
- drinks containing greater than 50 percent of natural fruit or vegetable juice;
- carbonated or uncarbonated water that contains no sweeteners;
- nonalcoholic drink mixes; and
- soft drinks when mixed and sold in an alcoholic drink.

A retailer of canned or bottled soft drinks in Chicago is responsible for:

- collecting the correct amount of tax on every applicable soft drink sale they make;
- properly documenting the tax-exempt sales they make;
- sending a payment for the tax owed along with a properly completed Form ST-14, Chicago Soft Drink Tax Return, by the due date, to the Illinois Department of Revenue; and
- keeping complete and accurate books and records for all soft drink sales.

Tax Rate

The tax rate is 3 percent (.03) of the gross receipts of soft drinks sold at retail in Chicago. Use the [Tax Rate Database](#) to look up this and other applicable tax rates.

General Information

What transactions are exempt from this tax?

The same transactions that are exempt from sales tax (Illinois Retailers' Occupation Tax) are also exempt from this tax.

How do I show this tax on my retail receipts?

You may either separately state this tax or state this tax in combination with other taxes on the receipts you give your customers.

Who pays tax on soft drinks sold in vending machines?

The owner of the soft drinks in the vending machine is liable for the tax.

Do I owe Chicago Soft Drink Tax on fountain drinks?

No. Fountain drinks (drinks that are prepared by mixing a syrup or concentrate with water) are not subject to this tax and are not reported on Form ST-14.

Note: The city of Chicago does administer a separate tax on fountain soft drinks. That tax must be paid directly to the Chicago Department of Revenue.

How does the Leveling the Playing Field for Illinois Retail Act affect out-of-state retailers that sell soft drinks?

The Leveling the Playing Field for Illinois Retail Act did not change the tax remittance requirements for out-of-state retailers with physical presence or with inventory in Chicago. Those retailers are still required to collect and remit the Chicago Soft Drink Tax on sales of canned or bottled soft drinks in the city of Chicago.

The Leveling the Playing Field for Illinois Retail Act did change the tax remittance requirements for certain out-of-state retailers without physical presence or without inventory in Illinois. These retailers, also known as remote retailers, who meet or exceed a tax remittance threshold must collect and remit the Chicago Soft Drink Tax for sales of canned or bottled soft drinks made to Chicago purchasers beginning October 1, 2021.

For further information on remote retailers and tax remittance thresholds, visit the [Leveling the Playing Field for Illinois Retail Act resource page](#).

How does the Leveling the Playing Field for Illinois Retail Act affect soft drink sales through a marketplace?

Beginning October 1, 2021, a marketplace facilitator, whose marketplace meets or exceeds a tax remittance threshold, is responsible for collecting and remitting Chicago Soft Drink Tax on behalf of their marketplace sellers for canned or bottled soft drink sales made through the marketplace to Chicago purchasers. The marketplace facilitator must certify to all of their marketplace sellers that they are assuming the rights and duties as the retailer with respect to sales made by the sellers over the marketplace.

If a marketplace does not meet a threshold, the marketplace sellers are responsible to collect and remit the Chicago Soft Drink Tax on soft drink sales through that marketplace in certain circumstances.

Illinois (in-state) retailers must collect and remit the Chicago Soft Drink Tax if the Illinois location at which a sale occurs is within the city of Chicago.

Out-of-state retailers must collect and remit the Chicago Soft Drink Tax if they:

- have physical presence in the city of Chicago and are making soft drink sales that are conducted, shipped, or finalized in Chicago; or
- do not have physical presence in Illinois but meet or exceed a tax remittance threshold and are shipping a soft drink to an address located in the city of Chicago.

General Information

Likewise, affiliates of marketplace facilitators, whether the marketplace meets or exceeds a threshold or not, are required to collect and remit the soft drink tax on their own behalf for applicable soft drink sales made over the marketplace. Affiliates must determine what type of retailer they are (see bullets directly above) to determine whether they must collect and remit the Chicago Soft Drink Tax.

Marketplace facilitators and marketplace sellers must have an agreement or contract that explains the responsibilities of both parties. IDOR encourages marketplace sellers to contact their marketplace facilitator with questions about their agreement.

For further information on marketplace facilitators, affiliates, and tax remittance thresholds, visit the [Leveling the Playing Field for Illinois Retail Act resource page](#).

What are the marketplace facilitator's Chicago Soft Drink Tax responsibilities?

Beginning October 1, 2021, marketplace facilitators, whose marketplace meets or exceeds a tax remittance threshold, are responsible for collecting and remitting the Chicago Home Rule Municipal Soft Drink Retailers' Occupation Tax on behalf of marketplace sellers for all sales of soft drinks made through the marketplace and delivered to purchasers within the city of Chicago. In other words, if a marketplace facilitator meets or exceeds a tax remittance threshold, they must collect the applicable Chicago Soft Drink Tax on behalf of their marketplace sellers and remit them to IDOR.

In addition, if a marketplace facilitator sells its own soft drinks, whether made through the marketplace or not, their soft drink sales may be subject to the Chicago Soft Drink Tax. They must collect and remit Chicago Soft Drink Tax on their own sales of soft drinks if:

- they are an Illinois (in-state) retailer and the sale occurs within the city of Chicago;
- they are an out-of-state retailer with physical presence in the city of Chicago and are making soft drink sales that are conducted, shipped, or finalized in Chicago; or
- they are an out-of-state retailer without physical presence in Illinois but meet or exceed a tax remittance threshold and are shipping a soft drink to an address located in the city of Chicago (beginning October 1, 2021).

A marketplace facilitator must register for their sales on behalf of marketplace sellers (marketplace facilitator soft drink account) separately from their own soft drink sales account. Likewise, a marketplace facilitator must file separate Forms ST-14 when remitting the Chicago Soft Drink Tax; one Form ST-14 for their marketplace facilitator sales and a separate Form ST-14 for their own soft drink sales.

What are the tax remittance thresholds?

The tax remittance thresholds are

- \$100,000 or more in cumulative gross receipts from sales of tangible personal property to purchasers in Illinois; or
- 200 or more separate transactions for the sale of tangible personal property to purchasers in Illinois.

For further information on tax remittance thresholds, visit the [Leveling the Playing Field for Illinois Retail Act resource page](#).

General Information

What books and records must I keep?

The requirements for keeping books and records can be found in [Publication 113, Retailer's Overview of Sales and Use Tax, Prepaid Wireless E911 Surcharge, and Illinois Telecommunications Access Corporation \(ITAC\) Assessment](#).

A marketplace seller must maintain books and records for all sales made through a marketplace even if the marketplace facilitator has assumed the responsibility for collecting and remitting the taxes.

A marketplace facilitator must maintain books and records for all sales made through the marketplace and provide these records to IDOR upon request. The books and records must contain the name, address, and FEIN of all marketplace sellers making sales through the marketplace.

Note: Marketplace facilitators should, if possible, separately state the various state and local retailers' occupation taxes remitted to IDOR (as well as the taxes remitted to other local taxing authorities, such as local governments that impose and administer their own restaurant tax) on records of each transaction provided to marketplace sellers.

Registration Information

If I am starting my business, how do I register my account?

For detailed information about registering an account, see [Publication 113, Retailer's Overview of Sales and Use Tax, Prepaid Wireless E911 Surcharge, and Illinois Telecommunications Access Corporation \(ITAC\) Assessment](#).

The easiest way to register with IDOR is to register electronically using [MyTax Illinois](#).

For additional information about registering with IDOR and for registration forms, such as the Form REG-1, Illinois Business Registration Application, visit the [registration section of our website](#).

Note: When completing Form REG-1, Illinois Business Registration Application, ensure that you check the box labeled "Chicago Soft Drink Tax" when registering in MyTax Illinois or "Soft drinks (other than fountain soft drinks) in Chicago" when registering by mail or fax using the Form REG-1 found on our website.

If I am registered as a retailer but will sell soft drinks in Chicago, what do I need to do?

If you have a MyTax Illinois account, you can register for new tax accounts, including a Chicago Soft Drink Tax account, by simply logging into your existing MyTax Illinois account and clicking on 'Register for New Tax Accounts' to complete registration.

Otherwise, contact the Central Registration Division by e-mailing us at REV.CENTREG@illinois.gov, calling 217 785-3707, or writing us at:

**CENTRAL REGISTRATION DIVISION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19030
SPRINGFIELD IL 62794-9030**

Are there any different registration requirements if I am a marketplace facilitator?

Marketplace facilitators must register for separate Chicago Soft Drink Tax accounts, one to report sales they make on behalf of marketplace sellers (marketplace facilitator account) and the other to report their own sales. Marketplace facilitators must check the marketplace facilitator checkbox on Form REG-1 when registering their facilitator account. When registering by mail or fax, marketplace facilitators must also attach [Schedule REG-1-MKP, Marketplace Facilitator Information](#), to your Form REG-1.

Forms and Filing Information

How do I report the Chicago Soft Drink Tax?

All retailers of soft drinks (not fountain) in Chicago must file Form ST-14, Chicago Soft Drink Tax Return, for each reporting period and pay the tax collected from retail sales made.

- [Form ST-14, Chicago Soft Drink Tax Return | Instructions](#)
- [Form ST-14-X, Amended Chicago Soft Drink Tax Return | Instructions](#)

Note: If you are a marketplace facilitator, you are required to file separate Forms ST-14 for each period, one for your sales on behalf of marketplace sellers (marketplace facilitator soft drink sales) and one for your own soft drink sales.

How do I file if I have more than one site?

Because the Chicago Soft Drink Tax is imposed city wide, the same rate of tax is due at any site in Chicago where you make your sales. For each reporting period, report the combined sales from all of your sites or locations on the same Form ST-14.

Must I file Form ST-14 if I have no sales to report?

Yes. You must file a processable (signed) Form ST-14 for each reporting period regardless of whether or not there are receipts to report. You may file a “zero” return.

Note: If all of your sales for the month are through a marketplace and the marketplace facilitator, who meets a tax remittance threshold, is responsible for your marketplace sales, you must file a “zero” return for that month. However, if all of your sales are always through a marketplace facilitator, who meets a tax remittance threshold, you may be able to close your account. For more information about marketplace facilitators, see the [Resource Page for the “Leveling the Playing Field for Illinois Retail Act.”](#)

When is my return and tax payment due?

You must file your Form ST-14 and pay any tax due on or before the 20th day of the month following the end of the reporting period. It will be the same as the reporting period for your Form ST-1. We will notify you if your filing status changes.

Note: Any time a due date falls on a weekend or state recognized holiday, we adjust the due date to the next business day.

Is there an incentive for paying the tax I owe on time?

Yes. If you file your Form ST-14 and pay the tax on time, you are allowed to take a discount of 1.75 percent of the tax you collected on receipts from sales.

Where do I file my Form ST-14?

You can file Form ST-14 electronically using [MyTax Illinois](#).

Forms ST-14 also can be electronically filed using software you write or that you buy or use from an accepted vendor (third party). Visit IDOR’s [Approved Third Party Software Vendor webpage](#) for a list of vendors that have been approved to electronically submit these forms. These vendors may charge a transaction fee. If you electronically file using your own software, you must first obtain IDOR approval.

For paper forms, mail your Form ST-14 to the address printed on the form. If no address is available, please mail your return to:

**CHICAGO SOFT DRINK TAX ADMINISTRATION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19034
SPRINGFIELD IL 62794-9034**

Do not mail Form ST-14 with any other type of return.

Forms and Filing Information

What if I do not file and pay by the due date?

If you do not file your Form ST-14 and pay the tax due by the due date, you will be assessed for any tax due (including any portion of the discount for timely filing that we have disallowed) plus penalty and interest. For detailed information about the penalties and interest that may apply, see [Publication 103, Penalties and Interest for Illinois Taxes](#).

Note: When sent through the U.S. mail, items are considered to be received by the department on the date of the post office cancellation mark. Private postage meters are not used to establish the date of receipt.

If items are not sent through the U.S. mail, they are considered to be received on the date the department actually receives them.

What if I make a mistake on my Form ST-14?

If, after you file your Form ST-14, you find you made a mistake that resulted in an overpayment or an underpayment, you must file an amended return (Form ST-14-X).

You may file Form ST-14-X, Amended Chicago Soft Drink Tax Return, using [MyTax Illinois](#). Form ST-14-X is also available in the forms area of IDOR's website.

For help completing your amended return, please call the Taxpayer Assistance Division at **1 800 732-8866** or **1 217 782-3336**.

Questions and Electronic Services

Questions?

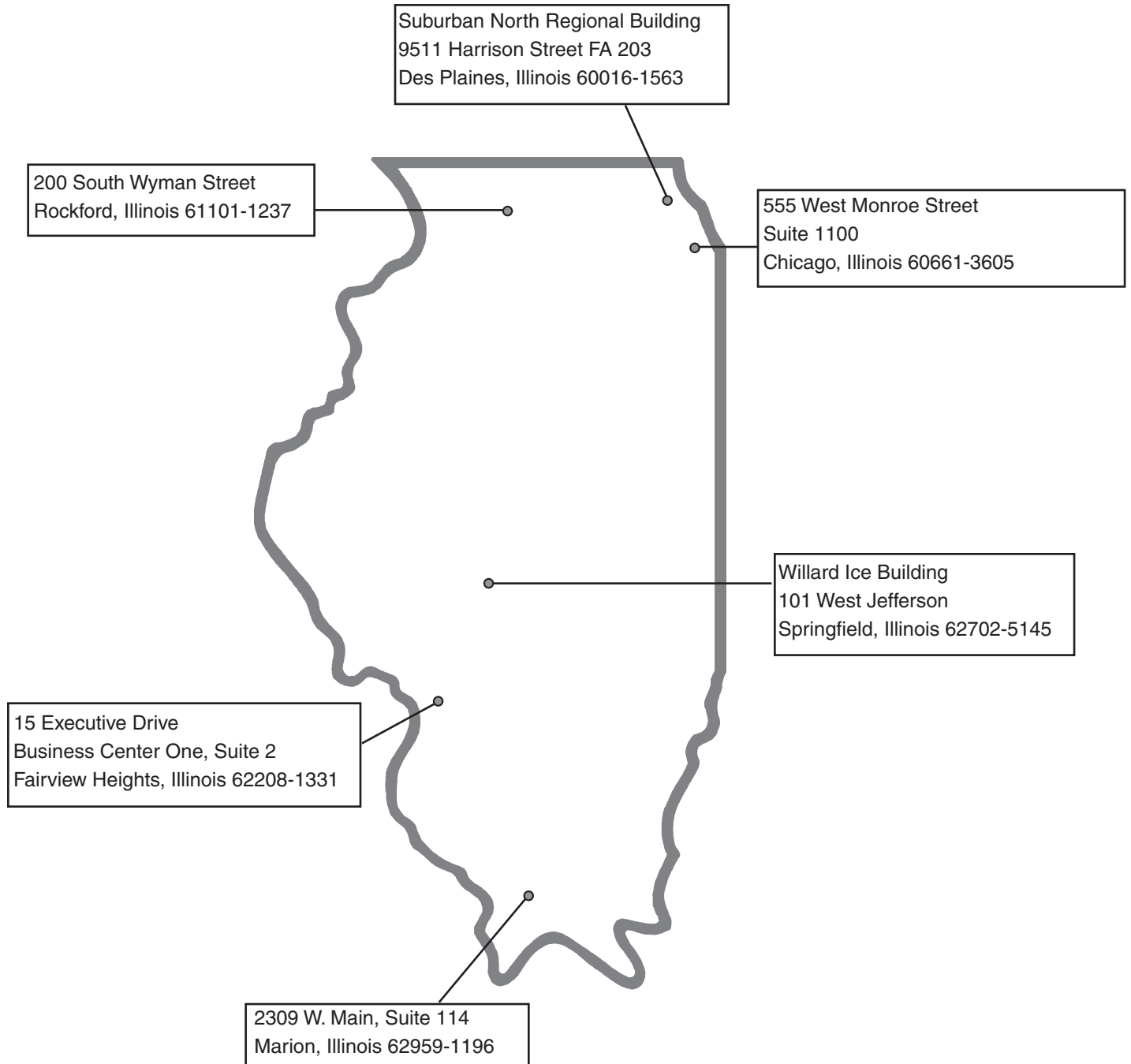
- Call us at: **1 217 785-3707** for a pre-printed return or **1 800 732-8866** for questions
- Call TDD: **1 800 544-5304**
- Mail your ST-14 and ST-14-X forms to:

**CHICAGO SOFT DRINK TAX ADMINISTRATION
PO BOX 19034
SPRINGFIELD IL 62794-9034**

Electronic Services

- [MyTax Illinois](#)
- [Approved Third Party Software Vendors for Sales and Use Tax](#)
- [ACH Credit](#)

Office Locations



Contact Information

Visit our website at tax.illinois.gov. For specific phone number and email contacts, see our [Contact Us](#) page.

Call us at **1 800 732-8866** or **217 782-3336**.

Call our TDD (telecommunications device for the deaf) at **1 800 544-5304**.

Write us at Illinois Department of Revenue, PO Box 19001, Springfield, IL 62794-9001.

Call our 24-hour Forms Order Line at **1 800 356-6302**.