



LTAD Newsletter

October 2022

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This newsletter is written to inform you of recent updates or news provided by the Local Tax Allocation Division.

For information or forms:

Visit our website at:
tax.illinois.gov

Contact us at:

Local Tax Allocation Division 3-500
Illinois Department of Revenue
101 W. Jefferson Street
Springfield, IL 62702
Phone: 217 785-6518
REV.LocalTax@illinois.gov



Grocery Tax Suspension

From July 1, 2022, through June 30, 2023, the state of Illinois suspended the sales and use tax on groceries normally taxed at the one-percent (1%) low rate. The first disbursement to local governments that reflects this suspension will be received in October (August allocation period).

Please note, there will not be a separate allocation for grocery tax, nor will it be reported differently on your allocation remittance reports.

Local government allocations will not be impacted by either the grocery tax suspension or back-to-school sales tax holiday provided retailers correctly report sales on their monthly Form ST-1, Sales and Use Tax and E911 Surcharge Return. The Illinois Department of Revenue (IDOR) is aware that the day-to-day operations of local governments rely on these allocations, so additional staff have been allocated to review filed Form ST-1 returns that should have reported receipts for the grocery tax suspension.

In September, IDOR discovered that some retailers were not properly reporting their receipts for sales that qualify for the suspension of the low rate (1%) of state sales and use tax on retail sales of groceries. As a result, [Compliance Alert \(CA 2023-01, Improper Reporting of Grocery Tax Suspension Sales on Form ST-1\)](#) was sent to all retailers registered with a Sales and Use Tax Account. IDOR has also developed a [resource page](#) that covers the grocery tax suspension, sales tax holiday, and suspension of the motor fuel tax increase. This webpage provides additional guidance to taxpayers including, Frequently Asked Questions and examples of filing correct Form ST-1 and Schedule GT in the wake of the grocery tax suspension and back-to-school sales tax holiday.

Ideally, the retailers that incorrectly filed original Form ST-1 will have filed amended July returns before the October disbursement. However, if these returns are not amended in time, allocations could be impacted. Please contact LTAD with any questions at REV.LocalTax@illinois.gov.

Ordinance Submission

There are two options for submitting certified ordinances to LTAD. You can mail the ordinance to:

Local Tax Allocation Division 3-500
Illinois Department of Revenue
101 W. Jefferson Street
Springfield, IL 62702

Your other option is to submit the ordinance through [MyLocalTax](#) (MLT) using an account with authorized access. You will first select “View More Account Options” in your allocation account, then “Submit Certified Copy of Ordinance or Resolution.” LTAD cannot accept ordinances sent as email or MLT message attachments.

Rebate Sharing Agreements

This is a reminder that Illinois law requires all units of local government to report electronically to IDOR agreements commonly known as “rebate sharing agreements.” The law also requires that the reported information be available on IDOR’s website. Using MyLocalTax, local governments must report detailed information on any existing or new agreements to share or rebate any portion of retailers’ occupation taxes generated by retail sales of tangible personal property. For more information, see our [Rebate Sharing Agreement FAQ’s](#).

PPRT Estimate

Details about the Fiscal Year 2023 estimate for Personal Property Replacement Taxes (“PPRT”) and the listing of the approximately 6,500 local taxing districts which are entitled to receive an allocation for Fiscal Year 2023 (July 1, 2022, through June 30, 2023) are now available. For more information, see [Fiscal Year 2023 Estimate for Replacement Taxes](#).

IDOR News & Updates

Do not forget to sign up for IDOR’s email/SMS text subscription service to receive the latest news and updates specific to municipalities, counties, and local taxing districts. Since the last newsletter, LTAD has used this service to send information on workshop materials, FY2023 PPRT estimates, and more.

Sign up by visiting our website at tax.illinois.gov.

Please note: As indicated in the previous edition, our LTAD Newsletters will only be sent via a MyLocalTax message and through IDOR’s email/SMS text subscription service.

Look for this logo!

