

If a sale is made in a jurisdiction that imposes a local retailers' occupation tax, that local jurisdiction's tax will be incurred on that sale. See 86 Ill. Adm. Code 270.115. (This is a GIL.)

August 21, 2015

Dear Ms. XXXX:

This letter is in response to the complaint that you filed on July 8, 2015 with the Illinois Office of the Attorney General regarding the collection of sales tax at different rates by various establishments within the same city in Illinois. The Office of the Attorney General forwarded your complaint to the Illinois Department of Revenue. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

In Jacksonville restaurants are charging different rates of tax on bill. COMPANY A and COMPANY B 7%. COMPANY C 8%. COMPANY D is charging 9%. Can you tell me if this is correct. It seems in our small town they would all be charging the same tax?
Thanks for your time.

DEPARTMENT'S RESPONSE:

The Retailers' Occupation Tax rate and Use Tax rate imposed by the State of Illinois are 6.25% and 1%, depending on the type of item being sold. See Sections 130.310 and 130.311. Unlike the state tax rates noted above, local tax rates vary depending on the tax rate imposed by the local government in a particular jurisdiction. For local tax rates, see the Department's Tax Rate Database and the Tax Rate Finder on the Department's website at www.tax.illinois.gov. Once on the website, you will see on the left hand side a box entitled "Quick Links". At the bottom of that box is a link entitled "Tax Rate Database". Click on that link which will take you to a screen entitled "Tax Rate Database". In the middle of the screen click on the link entitled "Sales Tax". Toward the bottom of the middle of that screen you will see a link entitled "Tax Rate Finder". Click on that link which will take you to another screen. At the bottom of that screen click the "Start" button on the bottom right of the screen. At the bottom of the next screen, click on the "Continue" button. On the next screen, click on

the “Accept” button, which takes you to the “Search” screen. This screen permits you to find the particular area you are interested in searching to find out the tax rates in that area for specific months.

The State rate of tax on general merchandise is 6.25%. Jacksonville imposes an additional local Home Rule tax at the rate of .75%. However, effective July 1, 2015, the tax rate in Jacksonville, Illinois (Morgan County) increased by 1% as there is now a County School Facility Tax of 1% in place. As a result, the tax rate now in effect in Jacksonville for general merchandise is 8%. For this reason, if you patronized a local restaurant prior to this rate change, the correct rate was 7%, and if you patronized a local restaurant on or after July 1, 2015, the correct rate was 8%.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department’s Taxpayer Information Division at (217) 782-3336.

Very truly yours,

Cara Bishop
Associate Counsel

CJB:mdb
cc: Office of the Illinois Attorney General