ORDINANCE NO. 2025-4518

AN ORDINANCE AMENDING THE VILLAGE OF BARRINGTON VILLAGE CODE AND IMPLEMENTING A MUNICIPAL GROCERY RETAILERS' OCCUPATION TAX AND A MUNICIPAL GROCERY SERVICE OCCUPATION TAX FOR THE VILLAGE OF BARRINGTON

WHEREAS, the Illinois Municipal Code, 65 ILCS 5/1-2-1, provides that the Corporate Authorities of each municipality may pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities, with such fines or penalties as may be deemed proper; and

WHEREAS, the Village of Barrington, Cook and Lake Counties, Illinois (the "Village") is a home rule Illinois municipality pursuant to the Constitution of the State of Illinois of 1970, as amended; and

WHEREAS, Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) provides that, beginning on January 1, 2026, all Illinois municipalities may impose a tax "upon all persons engaged in the business of selling groceries at retail in the municipality" (the "Municipal Grocery Tax") (65 ILCS 5/8-11-24); and

WHEREAS, the Municipal Grocery Retailers' Occupation Tax may be imposed "at the rate of 1% of the gross receipts from these sales" (65 ILCS 5/8-11-24); and

WHEREAS, any Municipal Grocery Retailers' Occupation Tax shall be administered, collected and enforced by the Illinois Department of Revenue; and

WHEREAS, Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) requires any municipality imposing a Municipal Grocery Retailers' Occupation Tax under Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) to also impose a Service Occupation Tax at the same rate, "upon all persons engaged, in the municipality, in the business of making sales of service, who, as an incident to making those sales of service, transfer groceries" as "an incident to a sale of service" (the "Municipal Grocery Service Occupation Tax") (65 ILCS 5/8-11-24); and

WHEREAS, any Municipal Grocery Service Occupation Tax shall be administered, collected and enforced by the Illinois Department of Revenue; and

WHEREAS, the President and Board of Trustees of the Village have determined that it is appropriate, necessary and in the best interests of the Village and its residents that the Village levy a Municipal Grocery Retailers' Occupation Tax as permitted by Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24); and

WHEREAS, the President and Board of Trustees of the Village have determined that it is appropriate, necessary and in the best interests of the Village and its residents, that the Village levy a Municipal Grocery Service Occupation Tax as permitted by Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24); and

NOW, THEREFORE, BE IT ORDAINED, by the President and Board of Trustees of the Village of Barrington, in exercise of the authority of this Village as a Home Rule unit, as follows:

SECTION 1. Incorporation of Recitals. The Corporate Authorities of the Village hereby find that the foregoing recitals are true and correct and shall be and are hereby incorporated into the text of this Ordinance as its findings of fact to the same extent as if said recitals were fully set forth herein.

SECTION 2. Article A, "Occupation and Use Taxes", of Chapter 2, "Taxes", of Title 3, "Business and License Regulations" is hereby amended by the addition of a new Section 3-2A-10, "Municipal Grocery Retailers' Occupation Tax Imposed", and a new Section 3-2A-11, "Municipal Grocery Service Occupation Tax", which shall respectively read as follows:

> "SECTION 3-2A-10. Municipal Grocery Retailers' Occupation Tax Imposed. A tax is hereby imposed upon all persons engaged in the business of selling groceries at retail in this municipality at the rate of 1% of the gross receipts from such sales made in the course of such business while this Ordinance is in effect. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24)..
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> SECTION 3-2A-11. Municipal Grocery Service Occupation Tax. A tax is hereby imposed upon all persons engaged in this municipality in the business of making sales of service, who, as an incident to making those sales of service, transfer groceries as an incident to a sale of service. The rate of this tax shall be the same rate identified in Section 2, above. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24)."

SECTION 3. Illinois Department of Revenue to Administer Both Taxes. The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Illinois Department of Revenue shall have full power to administer and enforce the provisions of this Ordinance.

SECTION 4. Village Clerk to file Ordinance with Illinois Department of Revenue. As required under Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24), the Village Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before October 1, 2025.

SECTION 5. Effective Date. The taxes imposed by this Ordinance shall take effect on January 1, 2026.

SECTION 6. Repeal of Conflicting Provisions. All ordinances, resolutions and policies of the Village, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of the conflict, expressly repealed on the effective date of this Ordinance.

SECTION 7. Severability. If any provision of this Ordinance or application thereof to any person or circumstances is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

SECTION 8. Headings/Captions. The headings/captions identifying the various sections and subsections of this Ordinance are for reference only and do not define, modify, expand or limit any of the terms or provisions of the Ordinance.

SECTION 9. Publication. The Village Clerk is hereby directed by the Corporate Authorities of this Village to publish this Ordinance in pamphlet form. This Ordinance shall be in full force and effect after its passage and publication in accordance with 65 ILCS 5/1-2-4.

PASSED THIS 28 DAY OF April, 2025 BY ROLL CALL VOTE AS FOLLOWS:

AYES: Trustees Lohmeyer, Sholeen, Wondrasek, Moran & President Darch

NAYS: NONE

ABSENT: Trustees Duncan and Prigge

ABSTAIN: NONE

APPROVED THIS 28 DAY OF April, 2025

Karen Y Darch

Karen Y. Darch, Village President

ATTESTED AND FILED THIS
28 DAY OF April, 2025.

Tony Ciganek

Tony Ciganek, Village Clerk

Published in Pamphlet Form the 28 day of April, 2025

Village of Barrington CORPORATE SEAL Cook & Lake Counties, IL

Locally Imposed Grocery Sales Tax

BY ILLINOIS MUNICIPAL LEAGUE STAFF

August 13, 2024

The Illinois Municipal League (IML) played an integral role in securing the authority for both home rule and non-home rule municipalities to implement by ordinance a 1% locally imposed grocery sales tax (without need for referendum approval) following the elimination of the statewide grocery tax effective January 1, 2026.

While IML's preference was to maintain the status quo and for the tax to remain statewide, Public Act 103-0781 repeals the statewide tax on groceries. However, the authority to implement a 1% grocery sales tax locally by ordinance was approved as part of the same legislation.

IML advocated for a delayed implementation date of the statewide grocery tax repeal and the elimination of the Illinois Department of Revenue's (IDOR) administrative fees to collect and remit the tax, meaning municipalities will see no decrease or lapse in grocery tax revenue, if timely in implementing the tax locally.

The statewide tax will not be repealed until January 1, 2026; until then, nothing will change and no action will be necessary by municipalities. However, for those municipalities that wish to implement the tax locally on day one, there are important benchmarks to consider.

For municipalities, both home rule and non-home rule, that wish to implement a local grocery sales tax effective on January 1, 2026, the first step is to pass an authorizing ordinance. IML has developed a model ordinance that can be adopted locally, which is available on our website.[1] A certified copy of the ordinance must then be submitted to IDOR, postmarked by October 1, 2025, in order for the tax to be imposed beginning January 1, 2026. This will guarantee no lapse in revenues from this tax. Questions may be directed to IDOR regarding their processes and rules. IDOR Local Tax Allocation Division (LTAD) contact information is available on their website,[2] or contact LTAD by phone at (217) 785-6518.

If a municipality chooses to wait to implement a local 1% grocery tax at a later date, please keep in mind that ordinances authorizing a local tax must be sent to IDOR and postmarked before April 1 for collection to begin on July 1, or postmarked after April 1 but before October 1, for collections to begin January 1 of the following year.

If your municipality does not wish to impose the grocery tax locally after the statewide expiration, no action is required and the 1% grocery tax will be automatically repealed within your jurisdiction on January 1, 2026.

IML suggests you consult with your municipal attorney prior to considering the adoption of this model ordinance. More resources are available at iml.org/grocerytax.

IMPLEMENTATION TIMELINE

- **Now:** Municipalities that wish to implement the local grocery tax effective on January 1, 2026, should adopt IML's model ordinance now to ensure timely filing with the Illinois Department of Revenue.
- **Prior to October 1, 2025:** A certified copy of an ordinance authorizing the local implementation of a grocery sales tax must be submitted to IDOR, postmarked by October 1, 2025.
- **January 1, 2026:** The statewide grocery sales tax expires; only locally imposed grocery sales taxes will remain.

[1] https://www.iml.org/page.cfm?category=5382
[2] https://tax.illinois.gov/localgovernments/contacts

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