



DOWNTOWN FOOD & BEVERAGE TAX

Introduction

On July 1, 2004 the City of Naperville implemented a one percent (1%) tax on food and beverage (alcoholic and non-alcoholic) which can be consumed on the premises where purchased.

Downtown Tax Rate

Illinois Law authorizes home rule municipalities to impose a tax in an area of up to one square mile; on the gross receipts of the sale of alcoholic beverages, soft drinks and food prepared for immediate consumption; for the purpose of paying for public parking facilities [65 ILCS 5/811-6c].

On October 7, 2008, the City implemented such a defined area Food and Beverage Tax at a rate of 1.5%, per Ordinance 08-187. The tax is in addition to the existing 1% Food and Beverage tax applicable throughout the City since 2004. This additional 1.5% tax applies only to businesses located in downtown Naperville. According to the City Ordinance, businesses located in the downtown area were required to begin collecting 2.50% Food and Beverage Tax effective November 1, 2008.

On September 15, 2015, the City passed a Home Rule Sales Tax of 0.50%, per Ordinance 15-160, as of January 1, 2016. This reduced the Downtown Food & Beverage Tax rate to 2.0%.

On June 1, 2016 the Department of Revenue reduced the Sales Tax rate from 7.25% to 7.00%.

The breakdown of the Downtown 9.50% tax rate is:

7.00%	Sales Tax (effective 6/1/16)	Remitted to State
.50%	Home Rule Sales Tax	Remitted to State
<u>2.00%</u>	<u>Downtown Food & Beverage Tax</u>	<u>Remitted to City of Naperville</u>
9.50%	Total Tax Collected	

Registration

All retailers are required to submit a completed Food & Beverage Tax Registration Form before conducting business. The seller must notify the City of Naperville of the last sale date. The new owner is required to re-register the location. Business owners must register each retail location separately.

Collection

The Food and Beverage Tax is due monthly. Payment of the tax must be made to the City of Naperville no later than the 20th of each month following the month in which the tax was collected. For example, taxes collected during the month of July are due no later than August 20.

Along with the tax payment, business owners must submit a completed Food & Beverage Tax Return Form and a copy of the State of Illinois forms ST-1 and ST-2, if applicable. Businesses may retain 2% of the total tax due to cover administrative expenses. The 2% is only applicable if payment is received on or before the 20th of subsequent month. Filing after the due date will result in a late payment penalty equal to 5% of the unpaid tax.

Completed forms and payments should be returned to:

City of Naperville
400 S. Eagle Street
Attn: Finance Dept., Food & Beverage Tax
Naperville, IL 60540

For additional information, contact the City of Naperville Finance Department at (630) 420-4115.

A copy of the ordinance and all city tax forms are available on the City of Naperville's Web site <http://www.naperville.il.us/>