

SPESIA & TAYLOR

MEMO

To: Mayor Soliman and City Council

From: Mike Stiff

Date: January 20, 2025

Re: Ordinance to Replace the Grocery Tax effective January 1, 2026

The Illinois legislature in 2024 passed legislation which does away with the state grocery tax effective January 1, 2026. When I reported this to the City Council, I also advised that the legislation also included language which allows individual municipalities, including non-home rule communities to pass their own local grocery tax ordinances. I was directed to prepare an Ordinance establishing a grocery tax to replace the outgoing tax. Again, the state tax does not go away until January 1, 2026. The attached ordinance, if passed, must be submitted to the Illinois Dept. of Revenue, by October 1, 2025, to be effective on January 1, 2026 when the old tax goes away.

MRS