



Places for Eating Tax | Frequently Asked Questions

What is the Places for Eating Tax (PFET)?

The City of Crest Hill's Places for Eating Tax (PFET) is a two (2) percent (%) tax on the total purchase price of food and or alcoholic liquor and non-alcoholic beverages sold for immediate consumption.

When will the PFET take effect?

The tax will be effective after City Council has approved the implementation of the PFET tax in addition to an attorney review. Once the tax has been officially approved, PFET sales taxes will be due from applicable vendors by the 20th day of the following month the tax has gone into effect. An example would be if the PFET taxes were effective on September 1, 2022, taxes from September sales would be due to the City by October 20, 2022.

Which establishments in Crest Hill will be affected by the PFET?

All premises located within the corporate limits of the City where prepared food is sold at retail for immediate consumption, ***with seating or counters provided to customers for consumption of said prepared food on the premises***, whether consumed on premises or not, and whether or not such places for eating use is conducted along with any other users in a common premise or business establishment are required to remit PFET to the City of Crest Hill. Specific examples include (but are not limited to) the following:

- Restaurants, eating places, and or fast-food outlets.
- Catered events held on private and corporate property and at event venues.
- Cafeterias, cafes, delicatessens, sandwich shops, coffee shops.
- Grocery stores¹
- Banquet facilities, catering facilities, and services.
- Bakeries and confectioners.
- Golf courses, country clubs, tennis clubs, and fitness clubs.
- Convenience stores and gas stations¹
- Festival food and beverage vendors¹

¹Provided that this establishment has seating available for immediate consumption.

What are some examples of when the PFET Tax will be assessed?

Each establishment that meets the criteria noted above must collect and pay the PFET if there are retail sales of prepared food and or alcoholic and non-alcoholic drinks that have been prepared for immediate consumption, whether on or off the premises. Examples of taxable sales include, (but are not limited to):

- All food and beverage (alcoholic and non-alcoholic) served in restaurants and by caterers, including carry out orders and delivery orders.
- All restaurant style food sold at grocery stores and similar places of eating, such as (but not limited to) prepared chicken, ice cream cones, and hot soup.
- All restaurant style food sold at convenience stores, such as (but not limited to) hot dogs, donuts, and nachos, if seating is available for consumption.
- All beverages served to diners in a restaurant and in a bar/tavern.

- Brewed coffee, fountain drinks, and other dispensed beverages sold for immediate consumption on or off premises in a restaurant or fast-food establishment.

Are there any establishments that are exempt from the tax?

The PFET tax is *not* imposed on the following:

- Standalone vending machines.
- Daycare centers and nursing homes that have entered into a contractual agreement to supply food and beverages.
- Not-for-profit associations or corporations.
- Complimentary food and beverages that are provided in conjunction with a service.

What transactions are exempt from the PFET?

Products that are prepared off-site in packages ready for retail sale and *not* for immediate consumption are exempt. Examples of products that are exempt from the PFET include, but are not limited to:

- Pre-packed pizzas or other frozen food products sold in a grocery store or a convenience store.
- A can of soda, six-pack of beer, or wine from a cooler from a convenience store.
- General grocery items such as bread, milk, and eggs that are in their original packaging and have not been prepared for immediate consumption.
- Items **sold** by a non-profit group. The group’s sales tax exemption letter issued by the Illinois Department of Revenue must be filed with the Crest Hill Finance Director. These items may include, but are not limited to, government entities, hospitals, and medical treatment facilities

Do I have to register my business as a prepared food facility subject to the PFET?

Yes. Every owner and operator of any prepared food and/or beverage facility must register as a retailer with the City of Crest prior to opening for business. This is a one-time registration that will remain effective unless there are changes of business ownership, management, or location.

Who is liable for payment?

The ultimate liability for payment of the PFET is borne by owner of a PFET establishment. However, the owner of each establishment should collect and account for the tax at the time of purchase. At their sole discretion, owners may elect to pay this tax without collecting this tax from their customers. Please note, any owner found to be violating or refusing to follow the PFET tax protocol established by the City of Crest Hill will be subject to penalties and fines.

Is gratuity to be included in the cost of the meal?

No. The tax is paid on purchase price only. Purchase price does not include amounts paid as gratuities for the employees.

How will this tax be applied to a Places for Eating purchase?

Example: \$150 dinner and drinks, customer presents a \$50 coupon:

Total Bill		\$150.00
Less: Coupon or Discount	-	<u>50.00</u>
Equals: Purchase Price		\$100.00
Add: Sales Tax (8%)	+	8.00
Add: PFET Tax (2%)	+	<u>2.00</u>
Equals: Total Sale		\$110.00
Add: Gratuity (<i>for illustrative purposes</i>)	+	<u>22.00</u>
Equals: Total Customer Payment		\$132.00

How do I show the PFET on my retail receipts?

You may either separately show the PFET as a standalone tax (as shown in the earlier example) or include the PFET in combination with other taxes on the receipts you provide to your customers.

What form must I use to report the PFET?

The City has supplied a paper copy of the PFET return form in this packet and an electronic return form is also available on City of Crest Hill's website. Please note, a copy of the ST-1 or ST-2 form filed with the Illinois Department of Revenue must also be included with your return.

Where do I file my return?

You should mail or deliver your PFET return and payment to the City at the address below. Alternatively, you may also drop your payment in the white mailbox outside of City Hall after hours.

City of Crest Hill
Attn: Treasurer's Office
Places for Eating Tax Return
1610 Plainfield Road
Crest Hill, Illinois 60403

When is my monthly PFET return and payment due?

The returns and tax payments are required to be paid and received by the City of Crest Hill by ***the twentieth day of the second month following the month covered by said return*** (i.e. taxes from January sales are due by February 20). The sworn PFET returns must also be accompanied with a copy of the Form ST-1 that has been filed with the Illinois Department of Revenue covering the same reporting period.

How will the PFET payment be submitted?

PFET will be submitted to the City by check, money order, or cash on a monthly basis along with the PFET form, plus the respective ST1 documents (state tax filing form).

How do I file if I have more than one site?

If you have retail sales from more than one site you must file a separate PFET return for each site.

Must I file the PFET Return even if I have no sales to report?

Yes. You must file a signed return form for each monthly reporting period regardless of whether there are receipts to report. You must file a "zero" return if you do not have any sales to report.

What if I do not file and pay by the due date?

If a PFET return is not filed by the due date, interest of one percent per month (1.0%) shall be charged on the outstanding balance. Continued non-compliance with this tax may be subject to a fine of not less than two hundred dollars (\$200.00) nor more than seven hundred fifty dollars (\$750.00) for the second and each next offense in any 180-day period.

Do caterers have to pay the PFET?

Yes. Catering for all events held within the City limits is subject to the PFET, regardless of where the caterer's place of business is located. Events catered by Crest Hill caterers ***outside*** the City limits are ***not*** subject to the tax. Events ***inside the City limits are subject to the PFET***, even if the caterer's location is outside of Crest Hill. The tax does not apply to goods used to conduct the event, such as linens, products to serve the food (plates, cups, utensils, etc.) if those items are distinctly priced separately in the event contract.

When a caterer has a dinner at a not-for-profit facility, is the PFET applied?

Yes. Catering for all events held in the City is subject to the PFET, regardless of where the caterer's place of business is located, unless the food is prepared directly by a local government agency. However, if the event is paid for by a not-for-profit agency, and the not-for-profit agency is sales tax exempt, then the PFET does not apply.

If I have questions, who should I contact?

Please contact Lisa Banovetz, Director of Finance, lbakovetz@cityofcresthill.com, 815-741-3080.

Please note: the information above may be subject to future changes. Please monitor the City of Crest Hill website for the most current and updated information.