ORDINANCE 2019-074

PASSED: NOVEMBER 25, 2019

ADOPTING CHAPTER 13 “MUNICIPAL CANNABIS RETAILERS’ OCCUPATION TAX” TO THE MUNICIPAL CODE OF THE CITY OF DEKALB, ILLINOIS.

WHEREAS, the Municipal Cannabis Retailers’ Occupation Tax Law (65 ILCS 5/11-8-22) (the “Act”) allows municipalities to impose a tax upon those engaged in the business of selling cannabis for recreational adult use; and

WHEREAS, the Corporate Authorities find and determine that it is in the best interests of the City of DeKalb to impose the tax authorized by the Municipal Cannabis Retailers’ Occupation Tax Act which will be collected by the Illinois Department of Revenue;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

SECTION 1: Recitals. The facts and statements contained in the preamble to this Ordinance are found to be true and correct and are hereby adopted as part of this Ordinance.

SECTION 2: Adoption of Tax. The Municipal Code of the City of DeKalb, Illinois shall be amended by the addition of Chapter 13 that will read as follows:

CHAPTER 13 Municipal Cannabis Retailers’ Occupation Tax.

13.01. Tax Imposed; Rate:

a) A tax is hereby imposed upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Pilot Program Act, at retail in the City of DeKalb at the rate of three percent (3%) of the gross receipts from these sales made in the course of that business.
b) The imposition of this tax is in accordance with the provisions of Sections 8-11-22, of the Illinois Municipal Code (65 ILCS 5/8-11-22).


a) The tax imposed by this Ordinance shall be collected and remitted by such retailer to the Illinois Department of Revenue (Department) as required by the Act. Persons subject to the tax under the authority of the Act and this Ordinance may reimburse themselves for their seller’s tax liability by separately stating that tax as an additional charge, which charge may be stated in combination, in a single amount, with any other State of Illinois tax that sellers are required to collect.
b) The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected, administered, enforced and paid over to the City of DeKalb by the Department in accordance with the authority given to the Department in the Act.

13.03. Severability.

If any provision of this Chapter, or the application of any provision of this Chapter, is held unconstitutional or otherwise invalid, such occurrence shall not affect other provisions of this Chapter, or their application, to the extent they can be given effect without the unconstitutional or invalid provision or its application. Each unconstitutional or invalid provision, or application of such provision, is severable.

SECTION 3: A certified copy of this Ordinance shall be file with the Illinois Department of Revenue.

SECTION 4: The sections, paragraphs, sentences, clauses and provisions of this Ordinance are severable and if any provision is held unconstitutional or invalid for any reason, such decision shall not affect the remainder of this Ordinance nor any part thereof, other than that part affected by such decision.

SECTION 5: Except as to the amendments heretofore mentioned, all Chapters of the Municipal Code of the City of DeKalb, Illinois shall remain in full force and effect.

SECTION 6: This Ordinance shall be in full force and effect upon its passage and approval according to law and shall be published in pamphlet form.


ATTEST:

[Signatures]

JERRY SMITH, Mayor
August 20, 2020

Ruth A. Scott
City Manager’s Office
City of DeKalb
200 S. Fourth St.
DeKalb, IL 60115

Re: Ordinance No. 2019-074
Municipal Cannabis Retailers’ Occupation Tax

Dear Ms. Scott:

This is to acknowledge receipt of the City of DeKalb’s Ordinance No. 2019-074 imposing a Municipal Cannabis Retailers’ Occupation Tax on sales of adult use cannabis at the rate of 3%. You may use the Department of Revenue’s “Tax Rate Finder” located at mytax.illinois.gov to determine the combined state and local retailers’ occupation tax rate on adult use cannabis sales in your location.

Public Act 101-593 renumbered the section of the Illinois Municipal Code (65 ILCS 5/Act) where the Municipal Cannabis Retailers’ Occupation Tax Law is codified as Section 8-11-23 and provided that “[a]n ordinance or resolution imposing or discontinuing a tax under this Section or effecting a change in the rate thereof that is adopted on or after June 25, 2019 . . . and for which a certified copy is filed with the Department on or before April 1, 2020 shall be administered and enforced by the Department beginning on July 1, 2020.”

If and when a licensed cannabis dispensary opens in DeKalb and begins making retail sales of adult use cannabis, the Department shall collect, administer, and enforce DeKalb’s Municipal Cannabis Retailers’ Occupation Tax, in accordance with the provisions of 65 ILCS 5/8-11-23.

If you have any questions regarding this letter, please contact our office at the number listed below. If you have questions regarding the distribution of the tax, please contact the Department’s Local Tax Allocation Division at (217) 785-6518.

Very truly yours,

[Signature]
Samuel J. Moore
Associate Counsel
(217) 782-2844

Cc: Aaron Allen, Local Tax Allocation Division