

AMENDING THE CITY OF DEKALB, ILLINOIS, MUNICIPAL CODE BY ADDING A NEW CHAPTER 56 "MUNICIPAL GROCERY RETAILERS' OCCUPATION TAX AND MUNICIPAL GROCERY SERVICE OCCUPATION TAX".

WHEREAS, the City of DeKalb (the "City") is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

WHEREAS, pursuant to Public Act 103-0781, effective January 1, 2026, the Illinois General Assembly repealed the legislation imposing a statewide 1% local grocery sales tax and provided that municipalities may impose a 1% local grocery sales tax to continue the State's collection and enforcement of the 1% local grocery sales tax; and

WHEREAS, under 65 ILCS 5/8-11-24 (the "Municipal Grocery Occupation Tax Law"), effective January 1, 2026, the City may impose a tax upon all persons engaged in the business of selling groceries at retail in the municipality on the gross receipts from those sales made in the course of that business at the rate of 1% that will be collected and enforced by the Illinois Department of Revenue; and

WHEREAS, under the Municipal Grocery Occupation Tax Law, the City's corporate authorities find it necessary to adopt an amendment to the City's Municipal Code to add a new Chapter 56 "Municipal Grocery Retailers' Occupation Tax and Municipal Grocery Service Occupation Tax" as further set forth in the attached and incorporated Exhibit A (the "Amendment"); and

WHEREAS, the City's corporate authorities find that adopting the Amendment is in the City's best interests for the protection of the public health, safety, welfare and morals; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

SECTION 1: The recitals to this ordinance are true, material, adopted and incorporated as Section One to this ordinance.

SECTION 2: The City's corporate authorities adopt and approve the Amendment to the City's Municipal Code as set forth in the attached and incorporated Exhibit A.

SECTION 3: The City Manager or designee are authorized and directed to file a certified copy of this ordinance with the Illinois Department of Revenue on or before October 1, 2025.

SECTION 4: This ordinance shall be the effective legislative act of a home rule municipality without regard to whether such ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the City's corporate authorities that if this ordinance is inconsistent with non-preemptive state law, this ordinance shall supersede that state law in its jurisdiction.

SECTION 5: This ordinance shall be in full force and effect after its passage and approval as provided by law; provided, however, that the taxes imposed by this ordinance shall take effect on January 1, 2026.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 23rd day of June 2025 and approved by me as Mayor on the same day. Passed on First Reading by a 5-2-1 roll call vote. Aye: Larson, Smith, Carlson, Powell, Barnes. Nay: Verbic, Walker. Absent: Zasada. Second Reading waived by a 5-2-1 roll call vote. Aye: Larson, Smith,

Carlson, Powell, Barnes. Nay: Verbic, Walker. Absent: Zasada.



A handwritten signature in dark ink, appearing to read "Cohen Barnes", is written over a horizontal line.

COHEN BARNES, Mayor

ATTEST:

A handwritten signature in dark ink, appearing to read "Ruth A. Scott", is written over a horizontal line.

Ruth A. Scott, Executive Assistant

CHAPTER 56
"MUNICIPAL GROCERY RETAILERS' OCCUPATION TAX
AND MUNICIPAL GROCERY SERVICE OCCUPATION TAX"

CREATED: June 23, 2025 (Ordinance 2025-028)

SECTIONS:

56.01 TAX IMPOSED; RATE.

56.02 COLLECTION OF TAX

56.03 SEVERABILITY

56.01 TAX IMPOSED; RATE.

- a) Municipal Grocery Retailers' Occupation Tax. A tax is hereby imposed upon all persons engaged in the business of selling groceries at retail in the City of DeKalb at the rate of 1% of the gross receipts from such sales made in the course of such business. For the purpose of the tax authorized to be imposed under this section, the term "groceries" has the same meaning as "food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption)", as further defined in Section 2-10 of the Retailers' Occupation Tax Act. The imposition of this tax is in accordance with and subject to the provisions of 65 ILCS 5/8-11-24.
- b) Municipal Grocery Service Occupation Tax. A tax is hereby imposed upon all persons engaged, in the City of DeKalb, 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, at the same rate as the Municipal Grocery Retailers' Occupation Tax imposed under subsection (a). For the purpose of the tax authorized to be imposed under this section, the term "groceries" has the same meaning as "food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption)", as further defined in Section 3-10 of the Service Occupation Tax Act, and the term "groceries" also means "food prepared for immediate consumption and transferred incident to a sale of service subject to the Service Occupation Tax Act or the Service Use Tax Act by an entity licensed under the Hospital Licensing Act, the Nursing Home Care Act, the Assisted Living and Shared Housing Act, the ID/DD Community Care Act, the MC/DD Act, the Specialized Mental Health Rehabilitation Act of 2013, or the Child Care Act of 1969, or an entity that holds a permit issued pursuant to the Life Care Facilities Act." The imposition of this tax is in accordance with and subject to the provisions of 65 ILCS 5/8-11-24.

56.02 COLLECTION OF TAX

The taxes imposed by this Chapter, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Illinois Department of Revenue ("IDOR"). The IDOR shall have full power to administer and enforce the provisions of this Chapter. This section is in accordance with and subject to the provisions of 65 ILCS 5/8-11-24.

56.03 SEVERABILITY

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

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