

## ORDINANCE NO. 2025 - 777

### AN ORDINANCE IMPLEMENTING A MUNICIPAL GROCERY RETAILERS' OCCUPATION TAX AND A MUNICIPAL GROCERY SERVICE OCCUPATION TAX IN THE VILLAGE OF YATES CITY

**WHEREAS**, the Illinois Municipal Code, 65 ILCS 5/1-2-2, provides that the corporate authorities of each municipality may pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities; and

**WHEREAS**, pursuant to Public Act 103-0781 passed by the Illinois Legislature and signed into law by Governor Pritzker on August 5, 2024, the State of Illinois repealed the 1.0% state grocery sales tax, which will take effect on January 1, 2026; and

**WHEREAS**, Public Act 103-0781 further allows local municipalities to enact their own ordinance reinstating and imposing a 1.0% municipal grocery retailers' occupation sales tax effective January 1, 2026, in lieu of the repealed State's grocery sales tax; and

**WHEREAS**, as established under Public Act 103-0781, new Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) provides that, beginning on January 1, 2026, all Illinois municipalities may impose a tax "upon all persons engaged in the business of selling groceries at retail in the municipality" (the "Municipal Grocery Tax"); and

**WHEREAS**, Section 8-11-24 of the Illinois Municipal Code provides that, beginning on January 1, 2026, all Illinois municipalities may impose a tax "upon all persons engaged in the business of selling groceries at retail in the municipality" (the "Municipal Grocery Tax"); and

**WHEREAS**, the Municipal Grocery Retailers' Occupation Tax may be imposed "at the rate of 1.0% of the gross receipts from these sales" (65 ILCS 5/8-11-24); and

**WHEREAS**, any Municipal Grocery Retailers' Occupation Tax shall be administered, collected, and enforced by the Illinois Department of Revenue; and

**WHEREAS**, Section 8-11-24 of the Illinois Municipal Code requires any municipality imposing a Municipal Grocery Retailers' Occupation Tax under Section 8-11-24 of the Illinois Municipal Code to also impose a Service Occupation Tax at the same rate, "upon all persons engaged, in the municipality, 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" (the "Municipal Grocery Service Occupation Tax") (together the Municipal Grocery Retailers' Occupation Tax and the Municipal Grocery Service Occupation Tax shall be referenced as the "Municipal Grocery Tax"); and

**WHEREAS**, any Municipal Grocery Service Occupation Tax shall be administered, collected and enforced by the Illinois Department of Revenue; and

**WHEREAS**, the Village finds that it is appropriate, necessary, and in the best interests of the Village and its residents to levy the Municipal Grocery Tax as permitted by Section 8-11-24 of the Illinois Municipal Code;

**NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND VILLAGE BOARD OF TRUSTEES OF THE VILLAGE OF YATES CITY, KNOX COUNTY, ILLINOIS, AS FOLLOWS:**

**Section 1.** The findings and recitations hereinabove set forth are hereby adopted and found to be correct.

**Section 2.** Effecting January 1, 2026, the Municipal Grocery Tax is hereby established in the Village of Yates City as follows:

**Municipal Grocery Tax.**

- (a) *Municipal Grocery Retailers' Occupation Tax Imposed.* A tax is hereby imposed upon all persons engaged in the business of selling groceries at retail in the Village at the rate of 1.0% of the gross receipts from such sales made in the course of such business while this Ordinance is in effect. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) as amended from time to time.
- (b) *Municipal Grocery Service Occupation Tax Imposed.* A tax is hereby imposed upon all persons engaged in the Village 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. The rate of this tax shall be in the same rate identified in subpart (a) of this section. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24), as amended from time to time.
- (c) *Administration.* The taxes hereby imposed, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Illinois Department of Revenue shall have full power to administer and enforce the provisions of this section of the Village Ordinance.
- (d) *Effective Date.* The taxes imposed by this section shall take effect on January 1, 2026.

**Section 3.** In compliance with Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24), the Village Clerk is hereby directed to file a certified copy of this

Ordinance with the Illinois Department of Revenue on or before October 1, 2025.

**Section 4.** If any provision of this Ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

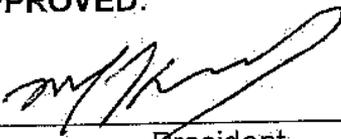
**Section 5.** This Ordinance is hereby ordered to be published in pamphlet form by the Yates City Village Clerk, and said Clerk is ordered to keep at least three (3) copies hereof available for public inspection in the future and in accordance with the Illinois Municipal Code, while also posting a copy of this Ordinance on the Village's public notice board at the Yates City Community Center in Yates City, Illinois.

**Section 6.** All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby superseded and repealed by this Ordinance, and any conflicts shall be governed by this Ordinance.

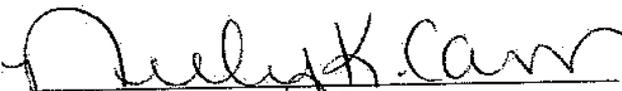
**Section 7.** This Ordinance shall be in full force and effect from and after its passage, approval, and ten (10) day period after publication in the manner provided by law.

**PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF YATES CITY, KNOX COUNTY, ILLINOIS, AND APPROVED BY ITS PRESIDENT THIS 9<sup>th</sup> DAY OF April, 2025.**

**APPROVED:**

  
\_\_\_\_\_  
President

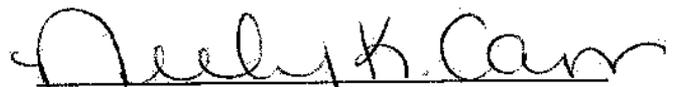
**ATTEST:**

  
\_\_\_\_\_  
Village Clerk

## CERTIFICATE OF PUBLICATION

I, NEELY CARR, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the Village of Yates City, Knox County, Illinois, and that the foregoing is a true and correct copy of Ordinance 2025-777, duly passed by the President and Board of Trustees of the Village of Yates City being entitled: "An Ordinance Implementing a Municipal Grocery Retailers' Occupation Tax and Municipal Grocery Service Occupation Tax" at a meeting held on the 9 day of April 2025, the Ordinance being a part of the official records of said Village. The foregoing Ordinance No. 2025-777 was published by me in pamphlet form this 9 day of April 2025, by making three (3) copies thereof available on that date for public inspection. The pamphlet form this Ordinance was also posted at the Yates City Community Center, 102 W. Main St., Yates City, Illinois, commencing on April 9, 2025, and continuing for at least 10 days thereafter. Copies of such ordinance were also available for public inspection upon request from the Village Clerk.

DATED this 9 day of April, 2025.

  
Village Clerk