

**Illinois Department of Revenue
Regulations**

Title 86 Part 270 Section 270.101 Nature of the Home Rule Municipal Retailers' Occupation Tax
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TITLE 86: REVENUE

**PART 270
HOME RULE MUNICIPAL RETAILERS' OCCUPATION TAX**

Section 270.101 Nature of the Home Rule Municipal Retailers' Occupation Tax

a) Authority to Impose Tax

Home Rule Municipalities are authorized to impose a tax on persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with this State's government, at retail within such municipality, on the gross receipts from such sales made in the course of such business. *If imposed, such tax shall only be imposed in 1/4% increments. On and after September 1, 1991, this additional tax may not be imposed on the sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics. The tax imposed by a home rule municipality pursuant to the Act and this Part and all civil penalties that may be assessed as an incident thereof, shall be collected and enforced by the Illinois Department of Revenue (Department) (Ill. Rev. Stat. 1989, ch. 24, par. 8-11-1).*

b) Passing on the Tax

The legal incidence of the Home Rule Municipal Retailers' Occupation Tax is on the seller. Nevertheless, the General Assembly has authorized persons subject to any tax imposed pursuant to the authority granted in the Home Rule Municipal Retailers' Occupation Tax Act (Ill. Rev. Stat. 1989, ch. 24, par. 8-11-1) (Home Rule Municipal ROT) to reimburse themselves for their sellers' Home Rule Municipal ROT liability by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the Use Tax Act (Ill. Rev. Stat. 1989, ch. 120, pars. 439.1 et seq.), pursuant to such bracket schedules as the Department has prescribed. (See 86 Ill. Adm. Code 150.Table A)

c) Exclusion from "Gross Receipts"

Any amount added to the selling price of tangible personal property by the seller because of a Home Rule Municipal Retailers' Occupation Tax, or because of the Illinois Retailers' Occupation Tax, or as Illinois Use Tax, and collected from the purchaser, shall not be regarded as a part of the sellers' gross receipts that are subject to such Home Rule Municipal Retailers' Occupation Tax.

(Source: Amended at 15 Ill. Reg. 3507, effective February 21, 1991)