

**Illinois Department of Revenue
Regulations**

Title 86 Part 425 Section 110 Tax Imposed

**TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE**

**PART 425
MUNICIPAL CANNABIS RETAILERS' OCCUPATION TAX**

Section 425.110 Tax Imposed

- a) *The corporate authorities of any municipality may, by ordinance, impose a Tax upon all persons engaged in the business of selling cannabis, other than cannabis purchased under the Compassionate Use of Medical Cannabis Program Act, at retail in the municipality on the gross receipts of the sales made in the course of business. If imposed, the Tax shall be imposed only in 0.25% increments. The Tax rate may not exceed 3% of the gross receipts of sales made in a municipality. [65 ILCS 5/8-11-23(a)]*
- b) The sale of any product that contains any amount of cannabis or any derivative of cannabis is subject to the Tax under subsection (a) on the full selling price of the product.
- c) The Tax is not imposed with respect to any transaction in interstate commerce, to the extent the transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.
- d) The Tax is in addition to all other occupation, privilege, or excise taxes imposed by the State of Illinois or by any municipal corporation or political subdivision thereof.

(SOURCE: Adopted at 44 Ill. Reg.10790, effective June 02, 2020.)