



informational

Bulletin

David Harris, Director

Kane County Cannabis Retailers' Occupation Tax Rate Change

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

To: All dispensaries engaged in the business of selling adult use cannabis at retail in municipalities located in Kane County

For information
Visit our website at:
tax.illinois.gov

Call us at:
1 800 732-8866 or
217 782-3336

Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304

Register and file your return online at:
mytax.illinois.gov

Effective **May 1, 2021**, Kane County has imposed, by ordinance, a County Cannabis Retailers' Occupation Tax on the gross receipts from sales of adult use cannabis. This tax is authorized to be imposed by counties exclusively on sales of adult use cannabis (55 ILCS 5/5-1006.8). It is in addition to the state Cannabis Retailers' Occupation Tax (6.25%) and any locally-imposed retailers' occupation tax that also applies to retail sales of adult use cannabis.

You must adjust your cash register and any computer program so that beginning on May 1, 2021, you will collect and pay the correct tax.

The County Cannabis Retailers' Occupation Tax rate for dispensaries located in a municipality in Kane County is 2.5% (0.025), effective May 1, 2021. To verify your new combined state and local retailers' occupation tax rate (*i.e.*, state and local sales taxes), go to the [MyTax Illinois Tax Rate Database](#) at tax.illinois.gov. You must select the municipality and county for your sales location and then select May 1, 2021.

What is County Cannabis Retailers' Occupation Tax?

County Cannabis Retailers' Occupation Tax is imposed on gross receipts from adult use cannabis sold at retail. These taxes, however, are not imposed on cannabis purchased under the Compassionate Use of Medical Cannabis Program Act.

What is the rate of County Cannabis Retailers' Occupation Tax that counties can impose?

Counties may impose a tax (in one-quarter percent increments) on retail sales of cannabis, other than medical cannabis, at the following rates:

- In unincorporated areas of the county, the rate may not exceed 3.75%.
- In a municipality located in the county, the rate may not exceed 3%.

As with any local government tax administered by the Illinois Department of Revenue (IDOR), counties must submit their ordinances to IDOR by a statutory deadline in order to begin imposing the tax.

For more information, see [Informational Bulletin FY 2020-16](#), *Municipalities and Counties may impose a local Cannabis Retailers' Occupation Tax beginning July 1, 2020*.

Where can I find combined sales tax rates?

For a searchable listing of all sales tax rates, go to the [MyTax Illinois Tax Rate Finder](#) at tax.illinois.gov.

Where can I find more information about Cannabis Retailers' Occupation Taxes?

For more information about state and local cannabis retailers' occupation taxes, see our [Cannabis Taxes Information Page](#). You may also contact the Local Tax Allocation Division at (217) 785-6518 or at Rev.Localtax@illinois.gov.