



Department of Revenue

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Cook County Department of Revenue Regulation

Sweetened Beverage Tax Regulation 2017-3

Subject – Sweetened Beverages purchases made with SNAP benefits (food stamps)

Effective Date – June 6, 2017 (amended August 17, 2017 as indicated below)

On November 10, 2016, the Cook County Board enacted the Sweetened Beverage Tax Ordinance (“Ordinance”). The Ordinance imposes a \$0.01 tax on each ounce of sweetened beverage sold at retail in the County. The ultimate liability of the tax is to be borne by the retail purchaser. 74-852.

The Ordinance provides the following:

It shall be deemed a violation of this Article for any distributor or retailer to fail to include the tax imposed in this Article in the sale price of the sweetened beverage, syrup and/or powder or to otherwise absorb the tax, unless otherwise required by law. The tax levied in this Article shall be in addition to any other taxes. 74-852(c).

The sweetened beverage tax may be included in the selling price of the beverage or added on at the point of sale. As such, purchases made using Supplemental Nutrition Assistance Program (SNAP) benefits will be exempt from the tax. This regulation addresses such purchases.

Where a purchaser uses SNAP benefits to purchase sweetened beverages, the retailer must do one of the following:

1. If the sweetened beverage tax is separately stated on a retailer’s cash register receipts, the POS system should be programmed not to charge the tax when SNAP benefits are used or some other procedure, such as a manual override, must be put in place by the retailer so that the customer using SNAP benefits is not charged the tax.
2. If the sweetened beverage tax is included in the selling price on a retailer’s cash register receipts, the POS system should be programmed to reduce the price by the amount of tax when the beverages are purchased using SNAP benefits or some other procedure, such as a manual override, must be put in place by the retailer so that the customer using SNAP benefits is not charged the tax. ~~If this programming is not possible, the retailer must put in place a procedure whereby a purchaser who uses SNAP benefits can receive an immediate refund at the customer service desk or other location within the retailer’s premises.~~

In both situations above, the retailers should be given a credit for these tax exempt purchases on the next bills from their distributors. Distributors will be permitted to claim a deduction on their monthly sweetened beverage tax return for the amount of the credits provided to retailers during that taxable period. Both retailers and distributors should retain all records of these transactions.