



Department of Revenue

Zahra Ali

DIRECTOR

118 N. Clark St. Suite 1160 • Chicago, Illinois 60602 • (312) 603-6870

TONI PRECKWINKLE

PRESIDENT

**Cook County Board
of Commissioners**

RICHARD R. BOYKIN

1st District

ROBERT STEELE

2nd District

JERRY BUTLER

3rd District

STANLEY MOORE

4th District

DEBORAH SIMS

5th District

EDWARD M. MOODY

6th District

JESUS G. GARCIA

7th District

LUIS ARROYO JR.

8th District

PETER N. SILVESTRI

9th District

BRIDGET GAINER

10th District

JOHN P. DALEY

11th District

JOHN A. FRITCHEY

12th District

LARRY SUFFREDIN

13th District

GREGG GOSLIN

14th District

TIMOTHY O. SCHNEIDER

15th District

JEFFREY R. TOBOLSKI

16th District

SEAN M. MORRISON

17th District

Cook County Department of Revenue Regulation

Sweetened Beverage Tax Regulation 2017-4

Subject – Registration for retailers with 5 or more Cook County locations or those that accept SNAP benefits (food stamps)

Effective Date – June 16, 2017

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 definitions:

Distributor means any person, including manufacturers and wholesale dealers, who receives, stores, manufactures, bottles or distributes bottled sweetened beverages, syrup or powder, for sale to retailers doing business in Cook County, whether or not that person also sells such products to purchasers.

Purchaser means any person who purchases in a retail sale.

Retailer means any person engaged in the business of selling sweetened beverages at retail in the County. 74-851.

Distributors are required to register with the Department and collect tax when they sell sweetened beverages, syrup and/or powder to a retailer or purchaser in Cook County. 74-852(d) and 74-853(a). Distributors must then file monthly tax returns with the Department and remit any tax due. 74-853(b). The only time retailers must remit tax directly to the Department is when they purchase untaxed product from an unregistered distributor. 74-853(c). Otherwise, retailers must pay tax to the distributor.

In order to address compliance concerns proposed by larger retailers as well as retailers that participate in the Supplemental Nutrition Assistance Program (SNAP), the Department now issues this regulation allowing, for a limited time period as defined herein, certain retailers to register on or before July 1, 2017 as distributors. Issuance of this regulation does not affect Sweetened Beverage Regulation 2017-1. Should both Regulation 2017-1 and 2017-4 apply to a retailer, that retailer must abide by the requirements/permissions provided in both regulations.

In an effort to provide retailers time to program their systems to comply with the requirement to include the tax in the advertised selling price and properly administer Supplemental Nutrition Assistance Program (SNAP) exemptions, effective on the date of this regulation and ending on July 1, 2018, retailers with 5 or more retail locations within Cook County or retailers that participate in the SNAP program may register with the Department as a distributor and remit sweetened beverage tax on all products when such products are sold at retail. Upon registration, the retailer

will be required to submit monthly tax returns (even when no tax is due) through the taxable period of June 2018 or until such time as the retailer requests to resign its registration status as a distributor. By the 20th of the month after the month in which a retailer requests to resign its registration status as a distributor under Regulation 2017-4, said retailer must submit a floor tax return and remit any applicable tax for the sweetened beverages on its retail floors on the day the registration status ceases. For such retailers registering as a distributor under Regulation 2017-4, the June 30, 2017 floor tax will not apply but will be due at a later date as addressed above.

Registration pursuant to this regulation will lapse on July 1, 2018. At that time, retailers registered as distributors for this limited time must pay the tax to registered distributors in accordance with the ordinance and Sweetened Beverage Regulation 2017-1.