



Department of Revenue

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Cook County Department of Revenue Regulation

Sweetened Beverage Tax Regulation 2017-2

Subject – Inclusion of tax in the sale price

Effective Date – March 20, 2017 (amended June 13, 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:

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 Department hereby issues this regulation to clarify how the tax can be displayed when included in the sale price.

Pursuant to the section quoted above, the tax must be included in the advertised selling price. It is not permissible for a business to fail to include the tax in the advertised price. However, the Ordinance does not specify how the selling price should be displayed.

When a registered distributor sells sweetened beverages, syrup and/or powder to a retailer for sale within Cook County, or when a retailer sells sweetened beverages in Cook County at retail, the registered distributor or retailer must include the tax in the sale price for the product. A registered distributor or retailer may, in its discretion, separately list the base price and the Cook County Sweetened Beverage Tax on its shelf, advertisement, and menu, provided that such a listing must be preceded or followed by the total sale price for the sweetened beverage, syrup and/or powder.

While the Sweetened Beverage Tax shall be included in the advertised price, the tax may be separately stated on the invoice or receipt at the point of sale. In practice, the advertised sales price of sweetened beverage, syrup and powder must include the sweetened beverage tax, i.e. if the base price is \$1.75 and the tax is \$0.74, the full price of \$2.49 must be the advertised price. However, when the item is purchased, the retailer’s or distributor’s POS system may record the base price and add in the tax at the end. In this case, the price listed on the receipt or invoice will be \$1.75, and tax will be added on later.

Understanding that distributors and/or retailers may need additional time to program their POS systems to allow for the tax to be reflected in the menu/advertised/shelf sale price, distributors and/or retailers will have an additional 6-month period, until January 1, 2018, to comply with the display requirements laid out in this regulation.