

Ordinance No. ~~4051-24/25~~ 4251-24/25 Amending Chapter 7, Article I of the Pekin City Code by Adding a New Section 14 Imposing a Municipal Grocery Retailers' Occupation Tax

WHEREAS, the State of Illinois will discontinue the 1% State grocery tax effective January 1, 2026, that currently provides \$1.5 to \$1.7 million of revenue to the City of Pekin (the "City") used to fund general public services; and,

WHEREAS, Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) provides that, beginning on January 1, 2026, all Illinois municipalities may impose a tax “upon all persons engaged in the business of selling groceries at retail in the municipality” (the “Municipal Grocery Tax”) (65 ILCS 5/8-11-24); and,

WHEREAS, the City is a home rule Illinois municipality pursuant to the Constitution of the State of Illinois of 1970, as amended; and,

WHEREAS, the Municipal Grocery Retailers’ Occupation Tax may be imposed “at the rate of 1% of the gross receipts from these sales” (65 ILCS 5/8-11-24); and,

WHEREAS, any Municipal Grocery Retailers’ Occupation Tax shall be administered, collected and enforced by the Illinois Department of Revenue; and,

WHEREAS, Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) requires any municipality imposing a Municipal Grocery Retailers’ Occupation Tax under Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) to also impose a Service Occupation Tax at the same rate, “upon all persons engaged, in the municipality, in the business of making sales of service, who, as an incident to making those sales of service, transfer groceries” as “an incident to a sale of service” (the “Municipal Grocery Service Occupation Tax”) (65 ILCS 5/8-11-24); and,

WHEREAS, any Municipal Grocery Service Occupation Tax shall be administered, collected and enforced by the Illinois Department of Revenue; and,

WHEREAS, the City Council believe that it is appropriate, necessary, and in the best interests of the community that the City levy a Municipal Grocery Retailers’ Occupation Tax and a Municipal Grocery Service Occupation Tax as permitted by Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24); and,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEKIN, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The foregoing recitals shall be and are hereby incorporated as findings of fact as if said recitals were fully set forth herein.

Section 2. Pekin City Code, Chapter 7, Taxation, is hereby amended by the addition of a new Section 14 as follows:

Sec. 7-1-14. - Municipal Grocery Retailers’ Occupation Tax Imposed.

Section 11. This Ordinance shall be in full force and effect from and after its passage, approval and ten (10) day period of publication in the manner provided by law.

RESULT:	PASSED (4 TO 3)
MOVER:	Council Member Lloyd Orrick
SECONDER:	Mayor Pro Tem Karen Hohimer
AYES:	1st Alternate Mayor Pro Tem Abel, Mayor Burress, Mayor Pro Tem Hohimer, Council Member Onken
NAYS:	Council Member Nutter, Council Member Hilst, Council Member Orrick
ABSTAIN:	None
ABSENT:	None

ADOPTED AND APPROVED at a Regular meeting of the City Council of the City of Pekin this _____ day of _____, 20____.

Mayor

ATTEST:

City Clerk