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AN ORDINANCE CREATING CHAPTER 26, OF TITLE VII, OF THE MUNICIPAL CODE IMPLEMENTING A MUNICIPAL GROCERY RETAILERS' OCCUPATION TAX AND MUNICIPAL GROCERY SERVICE OCCUPATION TAX IN THE VILLAGE OF ORLAND PARK

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WHEREAS, the Village of Orland Park, Cook and Will Counties, Illinois, is a home rule municipality as contemplated under Article VII, Section 6, of the Constitution of the State of Illinois, and the passage of this Ordinance constitutes an exercise of the Village's home rule powers and functions as granted in the Constitution of the State of Illinois; 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 Retailer Tax***"); and

WHEREAS, the Municipal Grocery Retailers' Tax may be imposed "at the rate of 1% of the gross receipts from these sales" (65 ILCS 5/8-11-24); 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' Tax under Section 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" (the "***Municipal Grocery Service Occupation Tax***") (65 ILCS 5/8-11-24); and

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

WHEREAS, the Municipal Grocery Retailers' Tax and the Municipal Grocery Service Occupation Tax shall collectively be referred to herein as the "***Municipal Grocery Taxes***"; and

WHEREAS, the Village Board finds that it is desirable and in the best interests of the Village and its residents to approve this Ordinance levying the Municipal Grocery Taxes as permitted and authorized by Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) as set forth herein.

NOW, THEREFORE, BE IT ORDAINED by the Village President and Board of Trustees of the Village of Orland Park, Illinois, as follows:

SECTION 1: The above-stated recitals are incorporated by reference.

SECTION 2: Title VII of the Village Code is hereby amended to add a new Chapter 26: Municipal Grocery Taxes – Chapter 26, as follows:

CHAPTER 26
Title 7 – Municipal Grocery Taxes

7-26-1 – Municipal Grocery Retailers' Tax Imposed

A tax is imposed upon all persons engaged in the business of selling groceries at retail in this municipality at the rate of 1% of the gross receipts from such sales made in the course of business while this Ordinance is in effect. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24).

7-26-2 – Municipal Grocery Service Occupation Tax

A tax is imposed upon all persons engaged 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 in this municipality at the rate of 1% of those gross receipts from such sales made in the course of such business while this Ordinance is in effect. The imposition of this tax is in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24).

7-26-3 – Illinois Department of Revenue to Administer the Municipal Grocery Taxes

The taxes imposed by this Chapter, and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Department of Revenue shall have full power to administer and enforce the provisions of this Ordinance in a manner consistent with Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24).

SECTION 3:

As required under Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24), the Village Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before October 1, 2025.

SECTION 4:

All ordinances, resolutions, motions or other actions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5:

If any part of this Ordinance is found or determined to be invalid, the invalid portion shall be stricken here from and the remainder shall be in full force and effect.

SECTION 6:

This ordinance shall be in full force and effect from and after its passage, approval and publication, as provided by law.