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Bulletin

David Harris, Director

Grocery Tax Suspension from July 1, 2022, through June 30, 2023

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

To: All Retailers Registered in Illinois

Public Act (P.A.) 102-0700 suspends the state 1 percent (1%) low rate of sales and use tax on retail sales of groceries normally taxed at this rate from **July 1, 2022, through June 30, 2023**.

For information
Visit our website at:
tax.illinois.gov

Call us at:
1 800 732-8866 or
217 782-3336

Call our TDD
(telecommunications device
for the deaf) at:
1 800 544-5304

Email us at:
REV.TA-Sales@illinois.gov

How does the 1 percent (1%) grocery tax suspension work?

From **July 1, 2022, through June 30, 2023**, the state of Illinois sales and use tax on groceries normally taxed at the 1 percent (1%) low rate will be 0 percent (0%). Groceries taxed at the low rate include food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, food consisting of or infused with adult use cannabis, soft drinks, candy, and food that has been prepared for immediate consumption). See [86 Ill. Admin. Code Section 130.310](#) for more information on grocery items that are taxed at the low rate.

For example:

Groceries normally taxed at the 1% low rate:

Retail sale of groceries subject to 1% tax:	\$145.29
Tax at 1%:	\$1.45
Total:	\$146.74

During the 1% grocery tax suspension:

Retail sale of groceries subject to 1% tax:	\$145.29
Tax at 0%:	—
Total:	\$145.29

Note: The Regional Transportation Authority and Metro-East Mass Transit District impose an additional local tax on grocery food that is not suspended under P.A. 102-0700.

Are there any sales and use tax notification requirements for retailers?

Retailers, to the extent feasible, shall include the following statement on any cash register tape, receipt, invoice, or sales ticket issued to customers: "From July 1, 2022, through June 30, 2023, the State of Illinois sales tax on groceries is 0%." If it is not feasible for the retailer to include the statement on any cash register tape, receipt, invoice, or sales ticket issued to customers, then the retailer shall post the statement on a sign that is clearly visible to customers. The sign shall be no smaller than 4 inches by 8 inches. A printable sign will be available on our website at tax.illinois.gov.

If an item qualifies as a drug or medicine is the tax suspended?

No. Tax will continue to be imposed on items that meet the definition of a qualifying medicine or drug. See [86 Ill. Admin. Code Section 130.311](#) for more information.

How do I report these sales?

The Illinois Department of Revenue has created Schedule GT, Sales and Use Tax Holiday and Grocery Tax Suspension Schedule, for retailers to report sales of groceries during the tax suspension period. This schedule should be filed with your Form ST-1, Sales and Use Tax and E911 Surcharge Return (and, when applicable, Form ST-2, Multiple Site Form). Form ST-1 has not changed. Retailers should continue to report their normal taxable sales, including receipts from sales of groceries, on Lines 5a and 5b, Lines 7a and 7b, or Lines 13a and 13b, of Form ST-1 (and, when applicable, Form ST-2) and will then use Lines 6a and 6b, Lines 7a and 7b, or Lines 8a and 8b on Schedule GT to calculate a credit against the tax reported on those lines for the tax they are not collecting on sales of grocery items. When determining the discount allowed for a timely filed return, retailers are authorized to include the amount of tax on receipts that would have been due at the 1 percent (1%) rate.