



Reviewed By:	
Legal	<input checked="" type="checkbox"/>
Finance	<input checked="" type="checkbox"/>
Engineer	<input type="checkbox"/>
City Administrator	<input checked="" type="checkbox"/>
Community Development	<input type="checkbox"/>
Purchasing	<input type="checkbox"/>
Police	<input type="checkbox"/>
Public Works	<input type="checkbox"/>
Parks and Recreation	<input type="checkbox"/>

Agenda Item Number

 Mayor's Report #6

 Tracking Number

 CC 2025-69

Agenda Item Summary Memo

Title: Sales Tax Citation Clean Up – Ordinance Amending Title 3, Chapter 2 of Yorkville City Code

Meeting and Date: City Council – September 9, 2025

Synopsis: Please see the attached memo.

Council Action Previously Taken:

Date of Action: _____ Action Taken: _____

Item Number: _____

Type of Vote Required: Majority

Council Action Requested: Approval

Submitted by: _____ **Bart Olson** _____ **Administration**
 Name Department

Agenda Item Notes:



Memorandum

To: City Council
From: Bart Olson, City Administrator
CC:
Date: September 5, 2025
Subject: Sales Tax citation clean up

Summary

Consideration of an ordinance amending the City Code regarding state statute authorization for the City's local sales taxes.

Background

In April, the City Council approved an ordinance authorizing a local grocery tax to offset the state's elimination of an equivalent statewide grocery tax. This local grocery tax ordinance was required to be approved by the City Council before October 2025 in order to be effective on January 1, 2026. As part of the implementation of the local ordinance, the City sent the ordinance to the Illinois Department of Revenue (IDOR) who has acknowledged the receipt and validity of the local ordinance. In reviewing the ordinance's statutory authority, the IDOR noted that the City's statutory references to the normal, local sales taxes were outdated and asked us to modernize the underlying sales tax citations. Accordingly, Attorney Orr has drafted an ordinance amending the City Code that updates the terminology and state statute citation for the City's local sales taxes.

Recommendation

Staff recommends approval of the ordinance. Reiterating, the locally imposed grocery tax is valid as approved by the City Council and this ordinance is only a cleanup for the City's normal, local sales tax in City Code. As a general reminder, the locally imposed grocery tax as already authorized by the City Council in April is a direct replacement for the state's elimination of a statewide grocery tax on January 1, 2026. Any local or non-local shoppers to Yorkville's grocery stores will pay the same tax rate on January 1, 2026 as they would have on December 31, 2025.

AN ORDINANCE OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS AMENDING TITLE 3, CHAPTER 2 OF THE YORKVILLE CITY CODE

WHEREAS, the United City of Yorkville, Kendall County, Illinois (the “City”), is a duly organized and validly existing non-home rule municipal corporation created under the provisions of Article VII, Section 7 of the Illinois Constitution of 1970 and the provisions of the Illinois Municipal Code 65 ILCS 5/1-1-1 *et seq.* (the “*Illinois Municipal Code*”) as from time to time supplemented and amended; and,

WHEREAS, the Illinois Municipal Code provides that the corporate authorities of each municipality may pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities, with such fines or penalties as may be deemed proper; and,

WHEREAS, pursuant to Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) on April 22, 2025, the City imposed 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) beginning on January 1, 2026; and,

WHEREAS, 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” which Service Occupation Tax the City imposed as required by Section 8-11-24 of the Municipal Code on April 22, 2025; and,

WHEREAS, the City has been advised by the Illinois Department of Revenue (“IDOR”) that the Municipal Retailers Occupation Tax and the Municipal Service Occupation Tax, as included in Title 3, Chapter 2 of the Yorkville City Code, have been obsolete and all provisions referring to such taxes should be deleted therefrom.

WHEREAS, in response to the direction of IDOR, the Mayor and City Council hereby amend the Yorkville City Code as follows:

NOW THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois as follows:

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

Section 2. Section 3-2-1 of Title 3, Chapter 2 of the Yorkville City Code is hereby deleted in its entirety.

Section 3. Section 3-2-2 of Title 3, Chapter 2 of the Yorkville City Code is hereby deleted in its entirety.

Section 4. Section 3-2-2.3 of Title 3, Chapter 2 of the Yorkville City Code is hereby deleted in its entirety and replaced with the following:

3-2-2.3: Municipal Grocery Service Occupation Tax.

A. A tax is hereby imposed upon all persons engaged in this City 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 rate of this tax shall be the same rate identified in Section 3-2-1.2, above. The imposition of this tax shall commence January 1, 2026 in accordance with and subject to the provisions of Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) .

B. The taxes hereby imposed, 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 Illinois Department of Revenue shall have full power to administer and enforce the provisions of this Code.

Section 5. Clerk to File Ordinance with Illinois Department of Revenue. As required under Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24), the City 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 6. This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law; provided, however, that the tax imposed under Section 4 takes effect on January 1, 2026.

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois this
____ day of _____, A.D. 2025.

CITY CLERK

KEN KOCH _____

DAN TRANSIER _____

ARDEN JOE PLOCHER _____

CRAIG SOLING _____

CHRIS FUNKHOUSER _____

MATT MAREK _____

RUSTY CORNEILS _____

RUSTY HYETT _____

APPROVED by me, as Mayor of the United City of Yorkville, Kendall County, Illinois
this ____ day of _____, A.D. 2025.

MAYOR

Attest:

CITY CLERK



Illinois Department of Revenue

Legal Services Office
101 W. Jefferson St. MC 5-500
Springfield, IL 62794

August 25, 2025

Jodi Behland
City Clerk
City of Yorkville
651 Prairie Point Dr.
United City of Yorkville, IL 60560

Re: Ordinance No. 2025-37
Municipal Grocery Occupation Tax

Dear Ms. Behland:

This is to acknowledge receipt of United City of Yorkville's Ordinance No. 2025-37 imposing a Municipal Grocery Retailers' Occupation Tax and Municipal Grocery Service Occupation Tax at the rate of 1%.

The Illinois Department of Revenue shall collect, administer, and enforce the Municipal Grocery Retailers' Occupation Tax and Municipal Grocery Service Occupation Tax effective **January 1, 2026**, in accordance with the provisions of 65 ILCS 5/8-11-24.

While we are accepting this ordinance for purposes of meeting the October 1, 2025 filing deadline for implementation on January 1, 2026, we must ask Yorkville to amend or replace the ordinance to address the following issue(s):

- Sections 3-2-1 and 3-2-2 of the Yorkville Code amended in this Ordinance consist of the Municipal Retailers' Occupation Tax and Municipal Service Occupation Tax, respectively. These provisions were rendered obsolete with the passage of sales tax reform in the early 1990's (See P.A. 85-1135) and are of no effect. As a result, we recommend that Yorkville repeal these obsolete provisions. Yorkville's current operative general local sales tax consists of its Non-Home Rule Municipal Retailers' Occupation Tax (Section 3-2-1.1) and its Non-Home Rule Municipal Service Occupation Tax (Section 3-2-2.1).
- In Paragraph A of Section 3-2-2.3 of the Code, replace "Section 2, above" with "Section 3-2-1.2, above".

Please adopt a conforming ordinance and file a certified copy with the Department on or before **October 1, 2025** at the following address:

Local Tax Allocation Division (3-500)
Illinois Department of Revenue

United City of Yorkville – Grocery Occupation Tax

Page 2

August 25, 2025

**101 W. Jefferson St.
Springfield, IL 62702**

If you have any questions regarding this letter, please contact our office at the number listed below. If you have questions concerning the distribution of the tax, please contact the Department's **Local Tax Allocation Division** at **(217) 785-6518** or **rev.localtax@illinois.gov**.

Very truly yours,



Samuel J. Moore
Associate Counsel
(217) 782-7055

SJM:slc

Cc: Aaron Allen, Local Tax Allocation Division

**UNITED CITY OF YORKVILLE
KENDALL COUNTY, ILLINOIS**

ORDINANCE NO. 2025-37

**AN ORDINANCE OF THE UNITED CITY OF YORKVILLE,
KENDALL COUNTY, ILLINOIS AMENDING TITLE 3,
CHAPTER 2 OF THE YORKVILLE CITY CODE**

Passed by the City Council of the
United City of Yorkville, Kendall County, Illinois
This 22nd day of April, 2025

Published in pamphlet form by the
authority of the Mayor and City Council
of the United City of Yorkville, Kendall
County, Illinois on April 24, 2025.

Ordinance No. 2025-37

AN ORDINANCE OF THE UNITED CITY OF YORKVILLE, KENDALL COUNTY, ILLINOIS AMENDING TITLE 3, CHAPTER 2 OF THE YORKVILLE CITY CODE

WHEREAS, the United City of Yorkville, Kendall County, Illinois (the “City”), is a duly organized and validly existing non-home rule municipal corporation created under the provisions of Article VII, Section 7 of the Illinois Constitution of 1970 and the provisions of the Illinois Municipal Code 65 ILCS 5/1-1-1 *et seq.* (the “*Illinois Municipal Code*”) as from time to time supplemented and amended; and,

WHEREAS, the Illinois Municipal Code provides that the corporate authorities of each municipality may pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities, with such fines or penalties as may be deemed proper; and,

WHEREAS, pursuant to Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24) 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, 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 said Section 8-11-24 (65 ILCS 5/8-11-24) to also impose a Municipal 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”; and,

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

WHEREAS, the Mayor and City Council believe that it is appropriate, necessary and in the best interests of the City and its residents, 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 at the rate of 1% of the gross receipts of sales by grocery retailers as hereinafter provided.

NOW THEREFORE, BE IT ORDAINED, by the Mayor and City Council of the United City of Yorkville, Kendall County, Illinois as follows:

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

Section 2. Paragraph A of Section 3-2-1 of the Yorkville City Code is hereby amended by deleting said paragraph A and replacing with the following:

A. *Tax imposed:* A tax is hereby imposed on all persons engaged in the business of selling tangible personal property at retail in this City, other than the business of selling groceries, at the rate of one percent (1%) of the gross receipts from such sales made in the course of such business while this section is in effect, in accordance with the provisions of Section 8-11-1 of the Illinois Municipal Code (65 ILCS 5/8-11-1).

Section 3. Title 3, Chapter 2 of the Yorkville City Code is hereby amended by adding the following new Section 3-1-1.2:

3-2-1.2 Municipal Grocery Retailers' Occupation Tax Imposed.

- A. A tax is hereby 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 such business. 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).
- B. The taxes hereby imposed, 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 which shall have full power to administer and enforce these provisions of this code.

Section 4. Paragraph A of Section 3-2-2 is hereby amended by deleting paragraph A and replacing it with the following:

- A. *Tax imposed:* A tax is hereby imposed upon all persons engaged in this City in the business of making sales of service other than in the business of transferring groceries as an incident to a sale of service at the rate of of one percent (1%) of the cost price of all tangible personal property transferred by said servicemen either in the form of tangible personal property or in the form of real estate as an incident to a sale of service, in accordance with the provisions of 8-11-5 of the Illinois Municipal Code (65 ILCS 5/8-11-5).

Section 5. Title 3, Chapter 2 of the Yorkville City Code is hereby amended by adding the following new Section 3-2-2.3:

3-2-2.3: Municipal Grocery Service Occupation Tax.

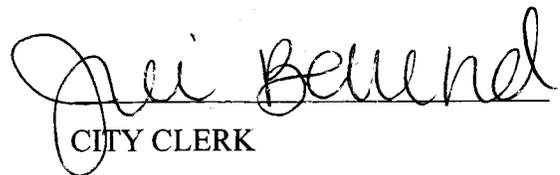
- A. A tax is hereby imposed upon all persons engaged in this City in the business of making sales of service, who, as an incident to making those sales of service, transfer groceries as an incident to a sale of service. The rate of this tax shall be the same rate identified in Section 2, above. The 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).
- B. The taxes hereby imposed, 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 Illinois Department of Revenue shall have full power to administer and enforce these provisions of this code.

Section 6. Effective Date. The taxes hereby imposed by Section 3-2-1.2 and 3-2-2.3 shall take effect on January 1, 2026.

Section 7. Clerk to File Ordinance with Illinois Department of Revenue. As required under Section 8-11-24 of the Illinois Municipal Code (65 ILCS 5/8-11-24), the City Clerk is hereby directed to file a certified copy of this Ordinance with the Illinois Department of Revenue on or before October 1, 2025.

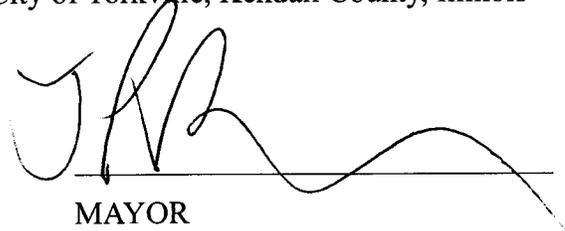
Section 8. This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

Passed by the City Council of the United City of Yorkville, Kendall County, Illinois
this 22nd day of April, A.D. 2025.


CITY CLERK

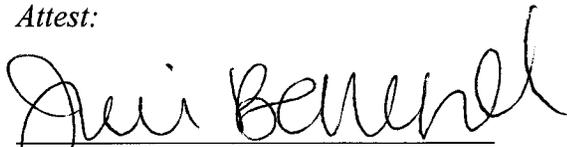
KEN KOCH	AYE	DAN TRANSIER	AYE
ARDEN JOE PLOCHER	AYE	CRAIG SOLING	AYE
CHRIS FUNKHOUSER	AYE	MATT MAREK	AYE
SEAVAR TARULIS	ABSENT	RUSTY CORNEILS	AYE

APPROVED by me, as Mayor of the United City of Yorkville, Kendall County, Illinois
this 23rd day of April, A.D. 2025.



MAYOR

Attest:



CITY CLERK