

Cook County repeals Sweetened Beverage Tax – Effective December 1, 2017

Overview

On October 11, 2017, the Illinois Cook County Board of Commissioners repealed the Sweetened Beverage Tax Ordinance, effective December 1, 2017. The Sweetened Beverage Tax, which was first levied effective July 1, 2017, must continue to be paid, collected and enforced through November 30, 2017.

This Tax Alert provides some background on the Sweetened Beverage Tax, its repeal and certain retailer and distributor considerations.

Levy of the Sweetened Beverage Tax – effective July 1, 2017

On November 10 of last year, the Illinois Cook County Board of Commissioners passed Ordinance 16-5931, enacting the “Sweetened Beverage Tax”,¹ a \$0.01 per ounce tax imposed on the retail sale of all sweetened beverages in Cook County.² This tax became effective on July 1, 2017, and was imposed on any non-alcoholic beverage, carbonated or non-carbonated, intended for human consumption, containing any caloric sweetener or non-caloric sweetener, and available for sale in a bottle or produced for sale through the use of syrup and/or powder.³

Repeal of the Sweetened Beverage Tax– effective December 1, 2017

On October 10, 2017, Ordinance 17-4704 repealing the Sweetened Beverage Tax was approved by an almost unanimous vote of the Cook County Finance Board (15-1), and officially confirmed by the Cook County Board of Commissioners on October 11, 2017.⁴ The Sweetened Beverage Tax must be paid, collected and enforced through November 30, 2017 and the last return/tax payment will be due December 20th, 2017.

Retailer and distributor considerations

Cook County has acknowledged that on December 1, 2017 retailers may have unsold inventory on hand upon which the Sweetened Beverage Tax was paid. The County has posted a “Close-Out Process” document on its website regarding the refund process to be followed by the distributors and retailers who might have taxed inventory on hand as of December 1, 2017.⁵ Instructions provided by the County on its website, direct retailers to request refunds from the distributor to whom the Sweetened Beverage Tax was originally paid. The County instructs distributors to obtain sufficient documentation from the retailers to support the refund claims. After the distributors provide the refunds/credit to the retailers, the distributors can either take a credit on their final return or can apply for a refund from Cook County.

Contacts:

¹ Cook County Ordinance No. 16-5931, enacted Nov. 10, 2016.

² Illinois Code of Ordinances § 74-852(a).

³ *Id.*

⁴ Cook County Ordinance No. 17-4704, enacted Oct. 11, 2017, available [here](#).

⁵ [Cook County Sweetened Beverage Tax, Cook County Government \(last visited 11/27/17\)](#)

External Multistate Tax Alert

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