

## Food and Beverage Tax - Frequently Asked Questions #2

### Collecting and Submitting the Food & Beverage Tax

#### What is the tax?

The Village of Glen Ellyn food and beverage tax is a 1.5% tax on the purchase price of prepared food, alcoholic and non-alcoholic drinks that have been prepared for immediate consumption, and on alcoholic beverages sold in original container for consumption off premises.

#### When will this tax take effect?

The food and beverage tax will be implemented March 1, 2019. (Taxes from March sales are due by April 22, 2019)

#### On what sales must I collect and pay the food and beverage tax?

You must collect and pay the food and beverage tax if you make retail sales of food and beverages prepared for immediate consumption on and/or off the premises of prepared food facilities and includes drive-thru and carry out sales. Prepared food includes any and all solids, semi-solids, liquids, powder, alcoholic beverages, and non-alcoholic beverages that have been prepared for immediate consumption. The food and beverage tax also applies to packaged liquor sales purchased at retail. Examples of taxable sales include, but are not limited to:

- All products served in restaurants, carry out orders, delivery orders.
- All restaurant style products sold by a grocery store or other places of eating, such as prepared chicken, ice cream cones or hot soup.
- All restaurant style products at convenience stores, such as food items selected under a heat lamp.
- A can or bottle of beer, a mixed drink or a dispensed soft drink served to a diner in a restaurant or to a patron on premises where beverages are served.
- Brewed coffee, fountain drinks or other beverages prepared for immediate consumption on or off premises in a grocery store or convenience store.
- All packaged beer, wine or liquor sold at retail.

### **Are there any “prepared food and beverage facilities” exempt from the tax?**

The tax is not imposed on the following:

- Vending Machines
- Daycare centers and nursing homes providing food and beverages in a contractual agreement
- Other facilities of not-for-profit associations or corporations
- Complimentary food and beverage with a service

### **What transactions are exempt from the food and beverage tax?**

Products that are prepared off-site in packages ready for retail sale and *not* for immediate consumption. Examples of products that are exempt from the food and beverage tax include, but are not limited to:

- Common grocery items such as bread, milk, eggs and frozen foods that are in their original packaging and not prepared for immediate consumption.
- Beverages sold in hermetically sealed containers such as a two liter of soda or a sealed container of juice.
- Items sold by a non-profit group (provided a copy of the group’s sales tax exemption letter issued by the Illinois Department of Revenue is filed with the Village of Glen Ellyn). May include: Government entities, hospitals and medical treatment facilities. Please see the ordinance for detailed exclusions.

### **Do I have to register my business as a prepared food facility subject to the tax?**

Yes. Every owner and operator of any prepared food facility must register as a retailer before opening for business. This is a one-time registration that will remain effective unless there are changes of business ownership, management or location.

### **Is there an on-time payment incentive?**

Businesses may retain 1% of the tax collected if the payment and return is filed by the due date.

### **Is gratuity to be included in the cost of the meal?**

No. The tax is paid on purchase price. Purchase price does not include amounts paid as gratuities for the employees.



### **How will this tax be applied to a food or beverage purchase?**

Example: \$150 dinner & drinks, customer presents a 33% off coupon

|   |                 |
|---|-----------------|
| Gross                                     | \$150.00        |
| Less: Discount                            | <u>- 50.00</u>  |
| Equals: Purchase Price                    | \$100.00        |
| Add: Sales Tax (8.25%)                    | + 8.25          |
| Add: Food & Beverage Tax (1.5%)           | <u>+ 1.50</u>   |
| Equals: Total Sale                        | \$109.75        |
| Add: Gratuity (for illustrative purposes) | <u>+\$20.00</u> |
| Equals: Total Customer Payment            | \$129.75        |

### **How do I show this tax on my retail receipts?**

You may either separately state this tax, or state this tax is in combination with other taxes on the receipts you give your customers.

### **What form must I use to report the food and beverage tax?**

Both a PDF and an online fillable food and beverage tax return form are available on the Village website.

### **Where do I file my return?**

You should mail or deliver your sworn food and beverage tax return and payment to:  
Village of Glen Ellyn  
Attn: Finance  
535 Duane Street  
Glen Ellyn, IL 60137

### **When is my monthly food and beverage tax return and tax payment due?**

Both the return and payment must be received or postmarked by the 20th day of the month following the month the taxes are collected. If the 20th falls on a weekend or holiday when the Village office is closed, payment must be received or postmarked by the next business day. A copy of your State Sales Tax form (ST-1) must be included with your return. Failure to file the food and beverage tax monthly return form and the ST-1 and remit the taxes due prior to the due date will result in penalties being imposed and additional fines.

### **How will payment be submitted?**

Food and beverage tax payments will be submitted to the Village by check, money order or cash on a monthly basis along with the food and beverage tax form, plus additional ST-1 documents (State tax filing form). The Village will also be working towards an auto-pay option where the monthly tax can be drawn from a specified bank account, much like the current auto-pay program for Village services bills.

**How do I file if I have more than one site?**

If you make retail sales from more than one site, you must file a separate Food and Beverage Tax Return for each site.

**Must I file the food and beverage tax return even if I have no sales to report?**

Yes. You must file a signed return form for each monthly reporting period regardless of whether or not there are receipts to report. You may file a “zero” return.

**What if I do not file and pay by the due date?**

If a tax return is not filed by the due date, a late filing penalty of five percent (5%) of the amount of tax shall be imposed.

**Do caterers have to pay the food and beverage tax?**

Yes. Catering for all events held within the Village limits is subject to the food and beverage tax regardless of where the caterer’s place of business is located. Events catered by Village of Glen Ellyn caterers OUTSIDE the Village limits are not subject to the tax. Events inside the Village limits are subject to the tax, even if the caterer’s location is outside of Village of Glen Ellyn. The tax does not apply to goods associated with the event, such as linens, china, etc. if those items are distinctly priced separately in the event contract.

**When a caterer has a dinner at a not-for-profit facility, is the food and beverage tax charged on the meal?**

Yes. Catering for all events held in the Village is subject to the food and beverage tax, regardless of where the caterer’s place of business is located. However, if the event is sponsored by and is an event of the not-for-profit agency, and the not-for-profit agency is sales tax exempt, then the food and beverage tax does not apply.

**If I have questions, who should I contact?**

Please contact the Finance Department at 630.547.5219 or [finance@glenellyninfo.org](mailto:finance@glenellyninfo.org).