



# *informational*

## *Bulletin*

David Harris, Director

---

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

---

For information  
Visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)



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

TTY:  
1 800 544-5304

Register and file your return online at:  
[mytax.illinois.gov](http://mytax.illinois.gov)

## **Municipal and County Cannabis Retailers' Occupation Tax Rate Changes, Effective January 1, 2025**

---

**To: All dispensaries engaged in the business of selling adult use cannabis at retail in taxing jurisdictions that have enacted Municipal or County Cannabis Retailers' Occupation Taxes**

---

Effective January 1, 2025, certain taxing jurisdictions have, by ordinance, imposed or changed their Municipal or County Cannabis Retailers' Occupation Tax on the gross receipts from sales of adult use cannabis (65 ILCS 5/8-11-23; 55 ILCS 5/5-1006.8). These taxes are in addition to Illinois Retailers' Occupation Tax on general merchandise (6.25%) and any locally-imposed retailers' occupation tax on general merchandise, which also apply to sales of adult use cannabis.

You must adjust your cash register and any computer program so that beginning on January 1, 2025, you will collect and pay the correct tax rate.

To verify your new combined state and local retailers' occupation tax rates (*i.e.*, state and local taxes) on adult use cannabis, go to the **MyTax Illinois Tax Rate Finder** at [mytax.illinois.gov](http://mytax.illinois.gov) and select rates for January 2025.

### **What is taxed?**

Municipal and County Cannabis Retailers' Occupation Taxes are imposed on gross receipts from adult use cannabis sold at retail. These taxes, however, are not imposed on cannabis purchased under the Compassionate Use of Medical Cannabis Program Act.

## **What is the tax rate that counties and municipalities can impose by ordinance on retail sales of cannabis?**

Municipalities may impose a tax on retail sales of cannabis, other than medical cannabis, at a rate that may not exceed 3%, imposed in one-quarter percent (0.25%) increments. Counties may impose a tax (also in one-quarter percent increments) on retail sales of cannabis, other than medical cannabis, at the following rates:

- In unincorporated areas of the county, the rate may not exceed 3.75%.
- In a municipality located in the county, the rate may not exceed 3%.

For implementation of the tax by the Illinois Department of Revenue (IDOR), municipalities and counties must submit their ordinances to IDOR by April 1 for July 1 implementation and by October 1 for implementation on the following January 1.

## **What counties and municipalities are imposing tax rate changes effective January 1, 2025?**

The following municipalities are imposing Municipal Cannabis Retailers' Occupation Tax:

- **Crestwood**
- **East Alton**
- **Island Lake**
- **West City**

The following counties are imposing County Cannabis Retailers' Occupation Tax:

- **Effingham County**
- **Wabash County**
- **White County**

Adult use cannabis is taxed at the general merchandise sales tax rate applicable in the jurisdiction in which the dispensary is located plus any additional municipal and county cannabis retailers' occupation taxes. To verify your new combined state and local retailers' occupation tax rates (*i.e.* state and local taxes) on adult use cannabis, go to the MyTax Illinois Tax Rate Finder at [mytax.illinois.gov](https://mytax.illinois.gov) and select rates for January 2025.

## **Where can I find more information about Municipal and County Cannabis Retailers' Occupation Taxes?**

For more information about Municipal and County Cannabis Retailers' Occupation Taxes, visit the **Cannabis Taxes Information Page** on our website. You may also contact the Local Tax Allocation Division at [Rev.Localtax@illinois.gov](mailto:Rev.Localtax@illinois.gov).