



To: All O'Fallon Retail Food Establishments

Re: Marketplace Facilitator Tax

Date: January 29, 2021

Dear Sir/Madam,

The City of O'Fallon has been notified of a new Marketplace Facilitator Tax in the State. Public Acts [101-31](#) and [101-604](#) amended the Retailers' Occupation Tax and enacted the Leveling the Playing Field for Illinois Retail Act to implement a series of structural changes to the Illinois sales tax laws to require "remote retailers" to remit State and local retailers' occupation taxes beginning January 1, 2021. The changes are intended to "level the playing field" between Illinois-based retailers and remote retailers by imposing State and local retailers' occupation taxes on Illinois retailers and remote retailers alike.

This tax holds remote retailers that meet thresholds to be considered an Illinois retailer liable for all applicable state and local sales tax administered by the Illinois Department of Revenue (IDOR) on all retail sales to Illinois purchasers. Remote retailers include businesses such as DoorDash, GrubHub, and UberEats that may facilitate a marketplace transaction and collect applicable state and local sales tax including the City of O'Fallon's Food and Beverage Tax.

The 1% tax on all retail sales of food and beverages that have been prepared for immediate consumption within the City is discussed in the Code of Ordinances chapter 35, beginning with section 35.085. Every person engaged in the retail business of selling food and beverages for immediate consumption is required to file with the Finance Department in the City of O'Fallon, a City of O'Fallon Sales Tax Return.

At this time, the City has determined that retail businesses registered and located within the City remain responsible for the collection and remittance of the 1% tax on the sales of Food and Beverages prepared for immediate consumption.

Businesses should continue to remit the 1% Food and Beverage Tax on all sales for immediate consumption including sales facilitated through remote retailers. The collection of the 1% Food and Beverage Tax should be communicated with any remote retailers your business currently partners with.

If you have any questions, please contact me at (618) 624-4500, extension 8723.

Thank you,

Sandy Evans
Director of Finance