

Sales/Use/Indirect:

Illinois DOR Summarizes Marketplace Facilitator Obligations for Food Delivery Service Companies

Publication 117: Metropolitan Pier and Exposition Authority (MPEA) Food and Beverage Tax, Ill. Dept. of Rev. (1/22). The Illinois Department of Revenue (Department) updated its publication for businesses that file “Form ST-4, Metropolitan Pier and Exposition Authority Food and Beverage Tax Return,” clarifying that effective October 1, 2021, certain marketplace facilitators (*i.e.*, including some food delivery services) making sales of food and beverage from establishments located within the Metropolitan Pier and Exposition Authority (MPEA) boundaries are responsible for collecting and remitting the MPEA Food and Beverage tax, and that food and beverage establishments located within MPEA boundaries that sell through such a marketplace facilitator generally will no longer be responsible for the MPEA Food and Beverage tax. Marketplace facilitators that meet or exceed Illinois’ tax remittance threshold must certify to the food and beverage establishments located within MPEA boundaries that they are responsible for collecting and remitting all applicable state and local Retailers’ Occupation Tax (ROT), including the MPEA Food and Beverage tax. According to the guidance, the MPEA Food and Beverage tax for food delivery services is due for the delivery of food or beverages to any address when the food or beverage is sold by a food and beverage establishment located within MPEA boundaries. The MPEA Food and Beverage tax of 1% is imposed only on sales made by food and beverage establishments located within MPEA boundaries (origin based), and “the destination of the food delivery does not affect MPEA Food and Beverage tax.”

URL: <https://www2.illinois.gov/rev/research/publications/pubs/Documents/PUB-117.pdf>

Moreover, the guidance explains that in addition to collecting and remitting the MPEA Food and Beverage tax, marketplace facilitators “are liable for state and local ROT (such as the Home Rule Municipal ROT, the Home Rule County ROT, Regional Transportation Authority ROT, and Chicago Soft Drink tax, if applicable) at the rate in effect at the location to which the food or beverages are shipped or delivered or at which possession is taken by the purchaser (destination based).” To further help clarify application of the Chicago Soft Drink tax to marketplace facilitators, another recently updated Department publication [see *Publication 116: Chicago Soft Drink Tax* for details] explains that beginning October 1, 2021, a marketplace facilitator, whose marketplace meets or exceeds an Illinois tax remittance threshold, is responsible for collecting and remitting Chicago Soft Drink Tax on behalf of their marketplace sellers for canned or bottled soft drink sales made through the marketplace to Chicago purchasers. Please contact us with any questions.

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