Food and Beverage Acknowledgement Form

I hereby acknowledge receipt of the Food and Beverage Packet including:

☐ Taxpayer Bill of Rights
☐ Village Food and Beverage Tax Ordinance
☐ Sample Tax Return Form

_____________________________                           ____________________
Signature           Date

_____________________________                           ____________________
Printed Name          Name of Business

Please sign, date, and return to the Community Development Department.
Dear Business Owner:

A one percent (1%) municipal food and beverage tax is applied to all prepared foods and alcoholic liquor purchased at retail in the Village of Mount Prospect. A copy of the Article from the Mount Prospect Village Code pertaining to the tax is enclosed.

As a retailer of prepared food and/or liquor, you should immediately begin collecting the municipal food and beverage tax at a rate of one percent (1%) as provided in the ordinance. A return and the tax due for each calendar month must be filed with the Village on or before the 20th of the following month. A standard tax return form is enclosed; please photocopy it and use it for each month’s submission to the Village.

Tax remittances should be made payable to “Village of Mount Prospect” and mailed along with the tax return form to:

Village of Mount Prospect
Finance Department
50 S. Emerson St.
Mount Prospect, IL 60056

State law requires all municipalities to establish a Taxpayers’ Bill of Rights. A copy of the Article from the Mount Prospect Village Code pertaining to the Bill of Rights is enclosed. The Taxpayers’ Bill of Rights establishes the legal amount of interest and penalties that municipalities can impose for the late payment of taxes. This information is provided to inform you of the law provisions which could affect you, as the operator of a business in Mount Prospect.

While we know our business community makes every attempt to comply with established deadlines, if a food and beverage tax return and payment are not remitted on time, the State has established certain rates for interest and penalties. Under the law, the Village is entitled to assess interest of one percent (1%) per month for any taxes that are not paid by the due date. In addition, a 5% penalty for failure to file a tax return and a five percent (5%) penalty for failure to pay the tax itself can also be assessed. The Village intends to impose and collect all interest and penalties provided by the law if the food and beverage taxes are not paid on time.

If you have any questions concerning the food and beverage tax, please contact the Finance Department at 847-392-6000.

Sincerely,

David O. Erb
Finance Director

encl.

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8.2001: DEFINITIONS:

CODE: The village code.

TAX: Any pecuniary burden imposed by this village on individuals or entities to support village government (including the infrastructure maintenance fee) that is not a permit or other fee, is not collected or administered by a department or agency of the state of Illinois, or is not a tax on real property under the Illinois property tax code. This shall include, but not be limited to, any of the following taxes that may now, or in the future be collected or administered by this village:

- Auto rental tax.
- Coin-operated games and devices tax.
- Food and beverage tax.
- Foreign fire insurance tax.
- Hotel/motel tax.
- Infrastructure maintenance fee.
- Municipal motor fuel tax.
- Natural gas user tax.
- Real estate transfer tax.
- Telecommunications tax.
- Utility tax. (Ord. 5189, 5-15-2001)

8.2002: APPLICATION OF PAYMENTS:

Notwithstanding any provision in this code to the contrary, any payment designated by a taxpayer as payment of a particular tax liability shall be applied to that taxpayer's liabilities pertaining to the particular tax as follows: a) first to the interest accrued on outstanding tax liabilities; b) second to the outstanding tax liability; c) third to any penalties due on outstanding tax liabilities; and d) fourth to current tax liabilities. (Ord. 5189, 5-15-2001)

8.2003: INTEREST ON OVERDUE PAYMENTS:

Notwithstanding any provision in this code to the contrary, any tax not paid on the date due shall accrue interest at a rate set forth in appendix A, division II of this code, on the amount due for each month or part of a month the tax remains unpaid. (Ord. 5189, 5-15-2001)

8.2004: DETERMINATION OF TAX LIABILITY:

A. To collect overdue taxes, a notice of determination of tax liability shall be sent to the taxpayer by registered or certified mail within six (6) years after the calendar year when the tax was due. However, if more than seventy five percent (75%) of the tax due has been paid, a determination notice must be sent within four (4) years after the end of the calendar year when the tax was due.

B. Any notice of determination of tax liability shall include the following:

1. Reason for tax liability.
2. The amount of tax, interest and penalty due on the date of the determination and information on how interest and penalties accrue.
4. Information regarding the right of the village to audit the taxpayer's books and records for a particular period and its obligation to refund overpayments. (Ord. 5189, 5-15-2001)
8.2005: APPEALS:

Any taxpayer may within forty five (45) days of the date of receipt of a notice of determination of tax liability or at any time before a current tax becomes due, seek a hearing before the director of finance to appeal the tax liability.

Upon full payment of the amount of tax protested plus accrued interest due, the director of finance shall extend the forty five (45) day period for appeal for up to an additional forty five (45) days for good cause upon the written request of the taxpayer. (Ord. 5189, 5-15-2001)

8.2006: CREDITS AND REFUNDS:

Notwithstanding any provision in this code to the contrary, a taxpayer may make a written claim for a credit or refund for payment of taxes, interest or penalties paid in error for up to four (4) years after the end of the calendar year in which the payment was made. Claims must include dates, amount paid, and an explanation of the error that occurred. The director of finance shall determine whether a credit or refund is justified and shall respond to the taxpayer in writing within thirty (30) days of receipt of the claim. Tax amounts paid in error shall be refunded along with a rate of simple interest per year that is set forth in appendix A, division I of this code. (Ord. 5189, 5-15-2001)

8.2007: VOLUNTARY APPLICATION FOR THE DETERMINATION:

A taxpayer who has not received a written notice of an audit or a notice of determination of a tax liability may make a written application to the director of finance for a determination of the taxpayer's liability pertaining to a particular tax. Such an applicant must agree to pay, within ninety (90) days of the date of the application, the tax due plus interest at a rate set forth in appendix A, division I of this code, per month for all periods within four (4) years prior to the filing of the application. The taxpayer shall be liable for any underpaid taxes and accrued interest during the four (4) year time period. (Ord. 5189, 5-15-2001)

8.2008: LIENS:

In the first month of each year the director of finance shall cause all liens against taxpayers to be reviewed. The village shall at its sole expense release improper liens, correct the taxpayer's credit record and correct any public disclosure of said lien. (Ord. 5189, 5-15-2001)

8.2009: INTEREST:

In the event of failure by any person to pay a required tax when due, interest shall accumulate and be due at the rate per month set forth in appendix A, division I of this code, commencing on the first day after the day on which the tax became due. (Ord. 5189, 5-15-2001)

8.2010: PENALTIES:

A. A penalty at a rate set forth in appendix A, division III of this code on the amount of tax due shall be charged against any taxpayer whose tax payment is not made on or before the date the tax is due.

B. A penalty at a rate set forth in appendix A, division III of this code of the amount of tax due for the period in which a report or return is required to be filed shall be charged against any taxpayer who fails to file, before the date that a determination of liability is issued, a report or return for that period.

C. Any penalty may be abated by the director of finance if reasonable cause for nonpayment or failure to file is shown. (Ord. 5189, 5-15-2001)
Chapter 8, Article IX Food and Beverage Tax

8.901: DEFINITIONS:
For the purposes of this article, unless the context otherwise requires, the following words or terms shall have the meanings respectively applied to them:

**ALCOHOLIC LIQUOR:** Alcoholic beverage or liquor as defined in chapter 13 of this code.

**ALCOHOLIC LIQUOR FACILITY:** Any establishment licensed under the provisions of chapter 13 of this code.

**PERSON:** Any individual, firm or corporation, representative or entity.

**PREPARED FOOD:**
A. Means and includes any solid, liquid (including both alcoholic and nonalcoholic liquid), powder or item used or intended to be used for human internal consumption, whether simple, compound or mixed and which has been prepared for immediate consumption.

B. "Prepared food" may be purchased for consumption within or upon the premises where it is sold or it may be purchased for consumption off the premises. However, with respect to food purchased for consumption off the premises where it is sold, "prepared food" does not mean or include any food which is sold in a closed or sealed bottle, can, carton or container of the manufacturer or wholesaler or which has not been prepared for immediate consumption.

**PREPARED FOOD FACILITY:**
A. Any person or establishment subject to licensing pursuant to chapter 11 of this code which sells at retail food which has been prepared for immediate consumption and whether or not such prepared food facility use is conducted along with any other use(s) in a common premises or business establishment.

B. A "prepared food facility" includes, but is not limited to, those establishments commonly called an inn, restaurant, eating place, drive-in restaurant, buffet, bakery, cafeteria, cafe, lunch counter, fast food outlet, catering service, coffee shop, diner, sandwich shop, soda fountain, tavern, bar, cocktail lounge, soft drink parlor, ice cream parlor, tearoom, delicatessen, movie theater, mobile food or beverage or ice cream vehicle, hotel, motel, or club, or any other establishment which sells at retail food which has been prepared for immediate consumption.
C. A "prepared food facility" does not include churches, public or private schools, boarding houses, daycare centers, nursing homes, retirement centers or similar residential care facilities, or programs for the central preparation of meals to be delivered and consumed at private residences of invalids or the elderly, or other facilities of not for profit associations or corporations.

PURCHASE AT RETAIL: To obtain for use or consumption in exchange for consideration, whether in the form of money, credits, barter or any other nature, and not for resale.

RETAILER: A person who sells or offers for sale, for use or consumption and not for resale. (Ord. 3837, 9-15-1987; amd. Ord. 5732, 4-8-2009)

8.902: IMPOSITION OF TAX:
A tax, in addition to any and all other taxes, is hereby imposed upon the purchase of prepared foods and alcoholic liquor at retail at any prepared food facility or alcoholic liquor facility within the village, at the rate set forth in appendix A, division II of this code. The ultimate incidence of and liability for payment shall be borne by the purchaser. (Ord. 5346, 7-15-2003)

8.903: COLLECTION OF TAX BY RETAILER:
The owner and the operator of each prepared food facility and each alcoholic liquor facility within the village shall jointly and severally, have the duty to collect and account for said tax from each purchaser at the time that the consideration for such purchase is paid. (Ord. 3837, 9-15-1987)

8.904: BOOKS AND RECORDS:
The owner and the operator of each prepared food facility and each alcoholic liquor facility within the village shall jointly and severally, have the duty to maintain complete and accurate books, records and accounts, showing the gross receipts for sales of prepared food and alcoholic liquor and the taxes collected each day, which shall be made available to the village for examination and for audit by the village upon reasonable notice and during customary business hours. (Ord. 3837, 9-15-1987)

8.905: TRANSMITTAL OF TAX COLLECTION:
The owner and the operator of each prepared food facility and each alcoholic liquor facility within the village shall jointly and severally, have the duty to cause to be filed a sworn return with the finance director for each such facility and for each such licensed premises located in the village. Said return shall be prepared and submitted on forms prescribed by the village. Said return shall be filed with the village by the filing date and at the same time intervals or frequencies as the retailers occupation tax return, form RR-1-A., is due to be filed with the Illinois department of revenue. Said return shall also be accompanied by payment to the village of all taxes imposed by this article which are due and owing for the period covered by said return. Said return shall also be accompanied with a copy of the return filed with the Illinois department of revenue for sales within the village of Mount Prospect covering the same reporting period. (Ord. 3837, 9-15-1987)

8.906: PENALTIES AND INTEREST:
If any tax imposed by this article is not paid when due, or any return is not filed when due, the interest and penalty provisions of sections 8.2009 and 8.2010 of this chapter shall be applied. (Ord. 5156-A, 12-19-2000)

8.907: TRANSMITTAL OF EXCESS TAX COLLECTION:
If any person collects an amount upon a sale not subject to the tax imposed hereby but which amount is purported to be the collection of said tax, or if a person collects an amount upon a sale greater than the amount of the tax so imposed herein and does not for any reason return the same to the purchaser who paid the same before filing the return for the period in which such occurred, said person shall account for and pay over those amounts to the village along with the tax properly collected. (Ord. 3837, 9-15-1987)
8.908: ENFORCEMENT; LICENSE SUSPENSION, REVOCATION:
Payment and collection of said tax and any payment penalty may be enforced by action in any court of competent jurisdiction and failure to collect, account for and pay over said tax and any payment penalty shall be cause for suspension or revocation of any village license issued for such prepared food facility or alcoholic liquor facility applicable to the premises thereof, all in addition to any other penalties in this article. Such suspension and revocation shall take place as follows:

The village manager or his designee shall notify the licensee in writing that if all violations of these provisions are not cured within seventy two (72) hours, that such license shall be suspended for a period of thirty (30) days or until all violations are cured, whichever comes first. If all violations are not cured within the thirty (30) day time period, the license shall be automatically revoked and may be reinstated only upon all violations being cured and upon the applicant proceeding as if a new license were being sought. The licensee shall have seventy two (72) hours from the time of the receipt of the aforesaid notice to appeal this suspension. In the case of a licensee possessing a business license for prepared food only, said appeal shall be to the village manager. In the case of a licensee holding a liquor license, said appeal shall be to the local liquor control commissioner. A hearing shall be had on the appeal within ten (10) days of the filing of the request for appeal. The only issue to be determined by the official hearing the appeal is whether or not violations of these provisions have occurred. If the official hearing the appeal is convinced by a preponderance of the evidence that a violation has occurred, then the suspension and revocation portions of this enforcement section shall be mandatory. No stays may be issued pending an appeal and no extensions of time may be granted as a result on an appeal. (Ord. 3837, 9-15-1987; amd. Ord. 3905, 3-1-1988)

8.909: PENALTY:
Any person found guilty of operating a prepared food facility or an alcoholic liquor facility within the village after being given notice of an order of suspension or revocation, shall pay a mandatory fine set forth in appendix A, division III of this code. (Ord. 5189, 5-15-2001)

8.910: EFFECTIVE DATE:
These provisions shall be in full force and effect as of November 1, 1987. (Ord. 3837, 9-15-1987)
Food and Beverage Tax Return

Business Address: ____________________________________________

Billing Address: ______________________________________________

Please remit the tax amount to the Village of Mount Prospect and include a copy of the Illinois Retailer’s Occupation Tax Return (ST-1 Sales and Use Tax Return) for the same month for this business location. Tax returns for each calendar month are due by the 20th of the following month (or the following business day if the 20th is a Saturday, Sunday or holiday). For example, taxes for January are due by February 20th. If the return is filed late, interest of one-percent (1%) per month will be added to the tax liability. A five-percent (5%) penalty is applicable for failure to file a return and an additional five-percent (5%) penalty will be assessed for failure to pay the tax itself.

Under penalties as provided by law, the undersigned attests that this tax return is true and accurate to the best of his/her knowledge and belief and is taken from the books and records of the business for which this is filed.

Business Name ____________________________ Return for the Month of _____________________

Signature of Tax Payer ______________________ Total Receipts ____________

Title ____________________________ Amount of Tax @ 1% ____________

Preparer’s Signature ______________________ Interest @ 1% (if late) ____________

Date Submitted __________________________ Penalty @ 5% (late return) ____________

Phone Number __________________________ Penalty @ 5% (delinquent tax) ____________

Email ____________________________ TOTAL DUE ____________

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