



SPECIAL NON-HOME RULE SALES TAX – FREQUENTLY ASKED QUESTIONS

What is a Special Non-Home Rule Sales Tax?

Pursuant to State law, the Village can enact, by ordinance, a Special Non-Home Rule Sales Tax to supplement its existing Non-Home Rule Sales Tax of 1% that was approved by referendum on March 17, 2020 and made effective on July 1, 2020.

How would the money be spent?

While the 2020 Non-Home Rule Sales Tax of 1% is still being collected and dedicated to projects identified in the Village's 2019 Capital Improvement Plan (CIP), one area that remains a funding challenge is Village facilities, specifically the Police Station. The current Police Station is not a purpose-built facility and has outgrown the Schertz Municipal Building. The current facility presents workflow, safety, and logistical challenges for the Police Department.

The Special Non-Home Rule Sales Tax will be utilized to construct a new facility or significantly renovate the existing facility. The anticipated annual revenue from the Special Non-Home Rule Sales Tax will be used to service future bonds associated with the improvements. The Village also intends to fund 25% of the cost of the project from General Fund cash reserves.

What is the current sales tax rate, and how will the rate change under this new initiative?

The current sales tax rate on general merchandise in Libertyville is 8%, which consists of a 6.25% state sales tax, a 0.75% Regional Transit Authority (RTA) tax, and a 1.0% Non-Home Rule Sales Tax.

On September 13, 2022, the Village Board passed an ordinance enacting a Special Non-Home Rule Sales Tax at a rate of 0.5%.

Effective January 1, 2023, the aggregate sales tax rate in Libertyville will be 8.5%.



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Does the Special Non-Home Rule Sales Tax apply to all purchases?

No. Pursuant to State law, the Special Non-Home Rule Sales Tax is **not** charged on titled goods such as cars and trailers, nor does it apply to most groceries and medicines.

How would the tax affect my future purchases in Libertyville?

The Special Non-Home Rule Sales Tax would add a half-penny on every dollar spent on certain items. For example:

<i>Product</i>	<i>Price</i>	<i>Cost with Current Tax</i>	<i>Cost with New Tax</i>
Coffee	\$3	\$3.24	\$3.26
Sweater	\$45	\$48.60	\$48.83
Drill	\$150	\$162.00	\$162.75

How much money would the additional sales tax generate?

The 0.5% Special Non-Home Rule Sales Tax is expected to generate approximately \$1,600,000 per year of new revenue.