



MEMORANDUM

TO: Village Administrator Ergo
FROM: Jessica Spencer, Administrative Services Manager
DATE: April 15, 2020
SUBJECT: Discussion and possible action regarding provision of an Eating Establishment Tax credit

Purpose

To provide financial support to Food and Beverage businesses impacted by the COVID-19 pandemic.

Discussion

Staff has received several phone calls from businesses in the Village who typically pay Food & Beverage taxes. On March 21, 2020 the Governor issued an Executive Order requiring gatherings of no more than 10 people along with a Stay-At-Home. This impacts the restaurant industry significantly as they must pivot their method of operating from dine-in to strictly carryout or delivery services until the order expires.

In order to provide Food and Beverage businesses in Itasca financial relief and an incentive to reopen once the Stay-At-Home order has lifted, staff is proposing that the Village Board approve a credit to most Food and Beverage taxpayers equal to the total amount of Food and Beverage Tax paid by that establishment in March 2019, April 2019, and May 2019. This credit will offset taxes owed by these establishments moving forward.

Gaming cafes, vending machines, and establishments that do not reopen after the Stay at home order is lifted, would not be eligible for this credit.

Fiscal Impact

The total anticipated rebate would \$54,262.76.

Staff Recommendation

Staff recommends that the Board discuss a Food and Beverage Tax Credit at the Committee of the Whole meeting on April 21, 2020.

RESOLUTION NO. 1199-20

**A RESOLUTION AUTHORIZING AN EATING ESTABLISHMENT TAX CREDIT
DUE TO THE COVID-19 OUTBREAK**

WHEREAS, in late 2019, a new and significant outbreak of Coronavirus Disease 2019 (COVID-19) emerged in China, which the World Health Organization declared a Public Health Emergency of International Concern on January 30, 2020, and the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency on January 27, 2020; and

WHEREAS, on March 16, 2020, Governor Pritzker issued Executive Order No. 2020-05, which closed all bars and dine-in restaurants, and on March 20, 2020, issued Executive Order No. 2020-10, which closed all non-essential businesses and ordered residents to stay at home, and on April 1, 2020, Governor Pritzker extended Executive Orders Nos. 2020-05 and 2020-10 in Executive Order No. 2020-18, until April 30, 2020; and

WHEREAS, the Mayor of the Village of Itasca declared that the Village was in a State of Emergency pursuant to Ordinance 1936-20 and 65 ILCS 5/11-1-6 on March 18, 2020, which was affirmed, ratified, and extended by the Village Board of Trustees; and

WHEREAS, restaurants, bars and other eating establishment businesses in the Village are impacted by the gubernational executive orders, the Village of Itasca's State of Emergency and the COVID-19 outbreak; and

WHEREAS, the Village levies and imposes a tax on gross receipts received for prepared food and beverage sold at eating establishments ("Eating Establishment Tax") pursuant to § 34.15 of the Itasca Municipal Code, which is paid monthly on the 20th of each month for receipts received the previous month.

NOW, THEREFORE, BE IT RESOVLED by the President and Board of Trustees of the Village of Itasca, DuPage County, Illinois, as follows:

SECTION ONE: EATING ESTABLISHMENT TAX CREDIT. The corporate authorities of the Village of Itasca hereby authorizes the Village Administrator, or her designee, to provide a credit to any eligible place for eating, as defined by the Itasca Municipal Code § 34.15(A), equal to the total amount of Eating Establishment Tax paid by that place for eating for March 2019, April 2019, and May 2019.

SECTION TWO: LIMITATIONS. No business is eligible for this credit unless it stays open during or reopens as a place for eating within 30 days following termination of Gubernational Executive Order No. 2020-18 or any similar executive order which closes all bars, dine-in restaurants and non-essential businesses or requires residents to stay at home.

SECTION THREE: RETURN TO BE FILED. Nothing in this resolution waives or amends § 34.15(D) of the Itasca Municipal Code, which requires tax returns to the be filed each month.

SECTION FOUR: SEVERABILITY. The various provisions of this Resolution are to be considered as severable, and if any part or portion of this Resolution shall be held invalid by any Court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Resolution.

SECTION FIVE: REPEAL OF PRIOR RESOLUTIONS. All prior Ordinances and Resolutions in conflict or inconsistent herewith are hereby expressly repealed only to the extent of such conflict or inconsistency.

SECTION SIX: EFFECTIVE DATE. This Resolution shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

AYES: Alani, Gavanis, Leahy, Latorja, Linsner

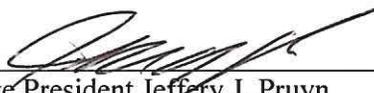
NAYS: None

ABSENT: Madaras

ABSTAIN: None

APPROVED and ADOPTED by the Village President and Board of Trustees of the Village of Itasca this 21st day of April, 2020.

APPROVED:



Village President Jeffery J. Pruyn

ATTEST:



Village Clerk Jody Conidi

