**Section 130.ILLUSTRATION C Food Flow Chart**

**TEST TO DETERMINE TAX RATE FOR FOOD ITEMS SOLD BY A RETAILER (EXCLUDING RESTAURANTS AND CAFETERIAS)**

|  |  |  |
| --- | --- | --- |
|  | IS THERE ON-PREMISES SEATING? |  |
|  |  |  |  |  |  |  |
|  | YES |  | NO |  |
|  | ↓↓ |  | ↓↓ |  |
|  | 1. Is the area for on-premises consumption physically separated from the area where food not for immediate consumption is sold?**AND**2. Does the retailer utilize a separate means of recording and accounting for collection of receipts from sales of food prepared for immediate consumption (high rate) and food not prepared for immediate consumption (low rate)? |  | Does the retailer utilize a separate means of recording and accounting for collection of receipts from sales of food prepared for immediate consumption (high rate) and food not prepared for immediate consumption (low rate)? |  |
|  | ↓↓ | ↓↓ |  | ↓↓ | ↓↓ |  |
|  | YES |  | NO |  | YES |  | NO |  |
| ↓↓ |  | ↓↓ |  | ↓↓ | ↓↓ |  |
|  | Only hot foods, soft drinks, candy, alcoholic beverages and food prepared by the retailer for immediate consumption are subject to HIGH RATE. Grocery type food subject to LOW RATE |  | All items sold in the store are subject to tax at the HIGH RATE, even food not prepared for immediate consumption (grocery type food) |  | ALL items sold in the store are LOW RATE. HOWEVER, THE HIGH RATE APPLIES TO:- hot food- alcohol- candy- soft drinks and- other food prepared by the retailer for immediate consumption |  | If the retailer sells both food prepared for immediate consumption and grocery type food, ALL food is HIGH RATE (rebuttable presumption).If the retailer sells only grocery type foods, all food is LOW RATE other than soft drinks, alcoholic beverages and candy. |  |

(Source: Added at 33 Ill. Reg. 15781, effective October 27, 2009)