



Headlines



February 9, 2004

Food and Beverage Tax

Responding to times of growing fiscal concern, the City Council recently voted to approve a food and beverage tax.

On January 26, 2004 the City Council passed an ordinance [amendment](#) to establish a 1% food and beverage sales tax. The amended ordinance will go into effect on April 1, 2004. The increase applies to the purchase of liquor and prepared food. The tax is anticipated to generate \$400,000 in additional revenue for the City of Rock Island.

The increase in rates and taxes is one strategy City Council has taken to respond to the \$1.2 million shortfall in the 2004-2005 budget that begins on April 1, 2004. Other actions included cost cutting and increases in ambulance fees, building fees and fines. The City of Rock Island has faced serious financial stress due to a \$1.9 million decrease in revenue from state income, use, sales, and replacement taxes from what was received four years ago. In addition, the City is continuing to respond to the creation of unfunded mandates that are passed on to localities, such as fees for the National Pollution Discharge Elimination System.

Those seeking more information about the Food and Beverage Tax should contact William Scott, Finance Director at 732-2117. For copies of the tax forms needed to remit payment [click here](#).