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10.25%

What you need to know about sales tax

By Hal Dardick

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On Tuesday, shoppers in Cook County will notice a bigger bite at the register. That's when the 1 percentage-point increase in Cook County's sales tax goes into effect. Chicago shoppers will pay a 10.25 percent tax on some items—higher than in any other major American city.

What's covered, what's not

The Cook County portion of the sales tax—which is now 1.75 percent, up from 0.75—applies to clothes, furniture, alcohol and restaurant food. It does not apply to cars, boats, groceries or medicine.

Double whammy

The 1-point hike comes three months after a quarter percentage-point RTA sales-tax increase.

Comparing suburbs

Many Cook suburbs have sales tax rates close to Chicago's: It's now 10 percent in both Schaumburg and Skokie and 9.75 percent in Orland Park. But in DuPage, Lake and Will County towns, sales taxes are as low as 6.5 percent. So if a person makes a \$300 taxable purchase, the sales tax would be \$30.75 in Chicago, \$30 in Schaumburg and Skokie, \$29.25 in Orland Park and \$19.50 in Libertyville.

The Internet option

Can you avoid sales tax by shopping on the Internet? Sometimes. The U.S. Supreme Court has ruled that most online and mail-order retailers don't have to collect state and local sales taxes unless they have a physical presence in the state, such as a store, office or warehouse. The Web site of a national chain would likely add sales tax; a small out-of-state boutique might not.

Why it's happening

Cook County Board President Todd Stroger called for the increase to close a funding shortfall in his \$3 billion budget. He said it was needed primarily to salvage the county's public health-care system. Critics said the county could have done without the increase if Stroger would have agreed to cut a payroll bloated by patronage.

—Hal Dardick

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