



Office of the City Clerk

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Legislation Text

File #: R2016-473, **Version:** 1

RESOLUTION

WHEREAS, Tampons and sanitary napkins are medical necessities which merit exemption from local taxation and qualification for the reduced state sales tax rate; and

WHEREAS, Feminine hygiene products such as tampons and sanitary napkins are currently taxed at the rate of 10.25%, which includes a 6.25% state tax; a 1.75% county tax; a 1.25% city tax; and a 1% Regional Transportation Authority tax; and

WHEREAS, Qualifying food, drugs and medical appliances are exempt from Chicago's sales tax and qualify for the reduced state sales tax rate of 1 %; and

WHEREAS, Feminine hygiene products are already exempt from sales taxes in Minnesota, Pennsylvania, New Jersey, Maryland and Massachusetts; and

WHEREAS, Legislation to exempt feminine hygiene products from sales tax is also awaiting the governor's signature in New York; and

WHEREAS, Five other states have no sales tax; and

WHEREAS, The American Medical Association supports laws to exempt menstrual products from sales tax; and

WHEREAS, In 1989, in *Geary v. Dominick's Finer Foods, Inc.*, the Illinois Supreme Court held that tampons and sanitary napkins were "medical appliances" and therefore exempt from a sales tax then imposed by the City of Chicago; and

WHEREAS, At that time, the Illinois Department of Revenue determined that the term "medical appliances" included tampons and sanitary napkins and thus exempted those products from state sales tax; and

WHEREAS, The Illinois Department of Revenue currently classifies tampons and sanitary napkins as "grooming and hygiene" products which are subject to the city's sales tax and the state's general merchandise tax; and

WHEREAS, On March 16, 2016, the City Council of the City of Chicago adopted an ordinance that would exempt tampons and sanitary napkins from Chicago's Home Rule Municipal Retailer's Occupation Tax;

WHEREAS, The City Council also adopted a resolution urging the General Assembly to exempt the products from the state's 6.25% sales tax; and

WHEREAS, Last month the General Assembly unanimously passed SB 2746, which would abolish the

state's 6.25% sales tax on feminine hygiene products; and

WHEREAS, SB 2746 will soon be sent to the governor for his signature to become law;
and

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WHEREAS, The City Council recognizes that feminine hygiene products are essential for women's health and that taxes on them are particularly regressive since they place an undue burden on low-income women; now therefore

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BE IT RESOLVED, That we the Mayor and the Members of the City Council of the City of Chicago do hereby urge Governor Bruce Rauner to sign SB 2746 as soon as it reaches his desk.