



Naperville City Council
400 S. Eagle Street
Naperville, IL 60540

June 16, 2025

Dear Mayor Wehrli and members of Naperville City Council,

On behalf of its Board of Directors, the Naperville Development Partnership would like to provide comment on proposed ordinance 25-0714, which would establish and impose a local municipal grocery retailers' occupation tax and a municipal grocery service occupation tax and amend TITLE 3 (BUSINESS AND LICENSE REGULATIONS), CHAPTER 1 (MUNICIPAL OCCUPATION TAXES) of the Naperville Municipal Code.

Our Board had the opportunity to discuss this matter last week after reviewing the information presented to the Naperville Finance Advisory Board on April 25, 2025. After careful consideration, NDP is advocating for the replacement of the state grocery tax with a local replacement tax of 1%, as proposed by Ordinance 25-0714.

The loss of the State grocery tax revenue would be a detriment to city finances and potentially impact public safety, which is an economic development strength of the community. In addition, this revenue is generated significantly by outside visitors to the city, thereby reducing the tax burden of Naperville residents and businesses. According to Placer AI, 52% of customers visiting the City's 10 largest grocery stores reside in other communities. A replacement of the state's grocery tax is a revenue neutral tax, in that it will not create new taxes to our residents. It simply replaces the tax that previously was collected by the state and allows for the City to collect the tax without an overall increase.

If the City should decide to pursue an alternative to the replacement grocery tax, NDP is concerned about the loss of competitive advantage currently enjoyed by the City. An increase of Home Rule Sales Tax (HRST) of .25% would create a higher cost for items such as furniture, electronics, automotive parts and jewelry in the City. It could become more costly to shop in Naperville as compared to our neighbors and shoppers become more price conscious for more expensive purchases, as the impact becomes greater.

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We appreciate the opportunity to provide input on this important matter and would welcome discussion with our Board Chairman or Officers, if more information is desired.

Sincerely,

Doug Gerald



Doug Gerald

Monica Conners

Chairman of the Board


President

Naperville Development Partnership

Naperville Development Partnership

CC: Mayor Scott Werhli
Councilwoman Mary Gibson
Councilman Ian Holzhauer
Councilman Patrick Kelly
Councilwoman Allison Longenbaugh
Councilman Josh McBroom
Councilman Ashfaq Syed
Councilman Dr. Benjamin M. White
Councilman Nate Wilson

Signature:


Doug Gerald (Jun 16, 2025 14:29 CDT)

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