

What Chicagoans Pay: A Guide to Consumer Taxes in 2026



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The 2026 edition of the Civic Federation’s biennial Consumer Taxes report provides a comprehensive overview of the taxes and fees paid by Chicago consumers across federal, state, regional, county, and municipal levels of government. Consumer taxes are broadly defined as taxes imposed on the purchase, use, or consumption of goods and services, including general sales taxes and targeted excise taxes on specific products or activities.

While not exhaustive, the report compiles and explains a wide range of taxes that are paid by Chicago consumers, including:

- Sales taxes.
- Restaurant and beverage taxes.
- Tobacco and cannabis taxes.
- Utility taxes.
- Accommodations taxes.
- Transportation-related taxes.
- Other consumer fees and excise taxes.

Most consumer tax rates in Chicago remained unchanged between the 2024 and 2026 editions of the Civic Federation’s Chicago Consumer Taxes report. Chicago continues to have one of the highest combined consumer tax burdens among major U.S. cities.

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The most meaningful changes are concentrated in three areas: transportation-related taxes, a potential increase in broad-based sales taxes, and new or expanded taxes on digital activity that are imposed on businesses but may affect consumers indirectly. These include:

- An increase in Chicago's composite motor fuel tax to \$0.81 per gallon for gasoline and \$0.94 per gallon for diesel (increase due to inflation)
- An increase to the vehicle registration "city sticker" tax increased to \$105.18 for small passenger vehicles and \$167.07 for large passenger vehicles (increase due to inflation)
- An increase in the City's checkout bag tax to \$0.15 per bag
- A decrease in the grocery tax rate to 1.25%
- An increase in the boat mooring tax to 23.25%
- An increase in the Personal Property Lease Transaction Tax on cloud software and infrastructure to 15.0%
- Expanded rideshare congestion pricing surcharges and zones
- A reduction in the City's automobile rental lessor tax from \$2.75 to \$0.50 per rental period
- The implementation of new taxes affecting social media companies and sports wagering operators.

Designed as a public resource, the report aims to help policymakers, journalists, researchers, businesses, and residents better understand the scale, complexity, and evolution of consumer taxation in Chicago and how the city compares to peer jurisdictions across the country.

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