



Office of the City Clerk

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Legislation Details (With Text)

File #: O2011-4610

Type: Ordinance **Status:** Failed to Pass

File created: 6/8/2011 **In control:** City Council

Final action: 5/20/2015

Title: Amendment of Municipal Code Section 3-20-020 by adding new subsection K regarding affiliated or combined company ownership provisions under Employer's Expense Tax

Sponsors: Tunney, Thomas, Maldonado, Roberto, Pope, John, Smith, Michele, Laurino, Margaret, Dowell, Pat, Cardenas, George A., Waguespack, Scott, Pawar, Ameya, Moreno, Proco Joe, Fioretti, Bob, Brookins, Jr., Howard, O'Shea, Matthew J., Reilly, Brendan, Cappleman, James

Indexes: Ch. 20 Chicago Employers' Expense Tax

Attachments: 1. O2011-4610.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|--|-------------------|--------|
| 5/20/2015 | 1 | City Council | Failed to Pass | Fail |
| 7/27/2011 | 1 | Joint Committee: Economic, Capital and Technology Development; Finance | Held in Committee | Pass |
| 6/8/2011 | 1 | City Council | Referred | |

ORDINANCE

WHEREAS, the Employer's Expense Tax is in need of clarification to explain when affiliated businesses can be properly and fairly combined for payment of the Tax; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO

Section 1. Section 3-20-020 of the Municipal Code of Chicago is hereby amended by inserting a new subsection K., as follows:

K. For taxable months starting on and after January 1, 2012, businesses or companies shall be combined as one employer or business for purposes of applying the tax under this chapter, only when such businesses or companies are both 80% commonly owned and involved in the same line of business. No other unitary business combination of related businesses or companies shall be allowed under this chapter nor shall any unitary business combination of related businesses or companies be allowed for months prior to January 1, 2012. Common ownership shall mean in the case of any corporation the direct or indirect ownership of 80% or more of its outstanding voting stock, and for purposes of other entities shall mean the direct or indirect ownership of 80% or more of the equitable controlling interest in the entity. Indirect ownership means constructive ownership under Section 318 of the Internal Revenue Code.

Section 2: This Ordinance shall be effective ten (10) days after passage and