



City of Chicago



O2017-163

Office of the City Clerk

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Meeting Date: 1/25/2017

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Amendment of Municipal Code Chapters 4-156 and 4-236
regarding amusement tax and resellers

Committee(s) Assignment: Committee on Finance



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 25, 2017

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Comptroller, I transmit herewith an ordinance amending various provisions of the Municipal Code regarding the amusement tax and resellers.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

ORDINANCE

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

SECTION 1. Chapter 4-156 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-156-020 Tax imposed.

(Omitted text is unaffected by this ordinance)

J. Notwithstanding subsections A and E of this section, the rate of the tax imposed upon the buyer of a ticket or other license in a resale transaction shall be equal to (1) three and one-half percent of the admission fees or other charges paid for the ticket or other license in the resale transaction if the original sale of the ticket or other license is subject to the rate imposed by subsection A, and (2) two percent of the admission fees or other charges paid for the ticket or other license in the resale transaction if the original sale of the ticket or other license is subject to the rate imposed by subsection E. If the buyer in a resale transaction purchases the ticket or other license for purposes of resale, then no tax shall be due from such buyer on the purchase of such ticket or other license when such buyer is registered as a tax collector under Section 4-156-030 of this Article, as evidenced by a certificate issued by the department of finance. If the original sale of a ticket or other license is fully or partially exempt from the tax imposed by this Section 4-156-020, such exemption shall carry over and apply to the resale of such ticket or other license.

(Omitted text is unaffected by this ordinance)

4-156-032 Additional tax imposed on tour boat operators.

A. In addition to the tax imposed by Section 4-156-020, a tax is imposed upon all persons engaged in the business of operating tour boats in the City. The rate of this tax shall be nine percent of the charges paid to the tour boat operator for amusements provided by the tour boat operator in the City. For the purposes of this Section 4-156-032, the term "tour boat" shall mean any vessel or other water craft on which amusements take place, as the term "amusement" is defined in Section 4-156-010. Charges that are excluded, or that are fully or partially exempt, from the tax imposed by Section 4-156-020 shall also be excluded, or fully or partially exempt, from the tax imposed by this Section 4-156-032.

B. A tour boat operator that has paid or remitted the tax imposed by Section 4-156-020 in connection with the same transactions that are subject to subsection A of this section shall be entitled to a credit for such tax paid or remitted against the amount of tax owed under subsection A of this section. The tour boat operator shall have the burden of proving its entitlement to this credit with books, records and other documentary evidence.

C. Tour boat operators shall file returns and pay the tax as follows: (1) all tax returns shall be filed with the Department of Finance on an annual basis on or before August 15 of each year in accordance with Sections 3-4-186 and 3-4-189 of this Code, (2) all tax payments shall be made in accordance with either Section 3-4-187 (payment of actual tax liabilities) or Section 3-4-188 (payment of estimated taxes) and (3) Sections 3-4-186, 3-4-187, 3-4-188, and 3-4-189

shall control over any contrary provisions in this chapter regarding the subjects covered by those sections.

D. The tax imposed by this section shall not apply to any person, activity or privilege that under the Constitution or statutes of the United States, or the constitution or statutes of the State of Illinois, may not be made the subject of taxation by the City.

(Omitted text is unaffected by this ordinance)

SECTION 2. Chapter 4-236 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-236-010 Definitions.

For the purpose of this chapter, whenever any of the following words, terms or definitions are used, they shall have the meaning ascribed to them in this section:

“Charge or fee paid for parking” means the gross amount of consideration for the use or privilege of parking a motor vehicle in or upon any parking lot or garage in the City of Chicago, valued in money, whether received in money or otherwise, including cash, credits, property and services, determined without any deduction for costs or expenses whatsoever, but not including charges that are added to the charge or fee on account of the tax imposed by this chapter or on account of any other tax imposed on the charge or fee. The term “charge or fee for parking” shall exclude separately stated optional charges not for the use or privilege of parking.

(Omitted text is unaffected by this ordinance)

4-236-050 Maintenance of records.

(a) It shall be the duty of every operator to keep accurate and complete books and records to which the comptroller or the commissioner of business affairs and consumer protection shall, at all times, have full access. These books and records shall include all electronic records, cash register or other receipts and all cash register tapes required by Section 4-236-060 of this chapter, all tickets and voided tags required by Section 4-236-060 and a daily sheet for each location showing (i) the number of motor vehicles parked in or on each lot or garage, segregated on a daily, weekly, monthly, or other basis, and also segregated by the amount of the charge or fee imposed for parking and (ii) the actual parking lot or garage tax receipts collected from all parking transactions.

(b) All books and records required by this section shall be retained for at least four years after the end of the calendar year in which they are created; provided, however, that an operator on an annual basis may request approval from the comptroller to discard tickets or tags that were issued more than one year earlier and the comptroller shall grant such approval if he or she determines that the operator's books and records satisfy the requirements of this chapter.

4-236-060 Tickets, tags and receipts.

(a) It shall be the duty of every operator to issue to all persons seeking the privilege of parking a motor vehicle on a daily basis a distinctive ticket in the form and manner provided by this section or provide and maintain electronic records of each daily parking transaction that

substantially meet the requirements of this section. Tickets shall be issued by the operator in numerical sequence.

(b) Each ticket issued by an operator shall indicate the name of the operator and the address of the parking lot or garage upon or in which the motor vehicle is parked. Unless the parking lot or garage is equipped with an automated ticket dispenser which triggers the opening of a gate, tickets shall consist of three parts, one part shall be issued by the operator to the recipient; one part shall be retained by the operator, who shall indicate on the back thereof the time of arrival and departure of the motor vehicle; and one part shall be attached to the parked motor vehicle for the purpose of identification. All three-part tickets shall contain the same serial number on each part of the ticket.

(c) It shall be the duty of every operator to issue to all persons seeking the privilege of parking a motor vehicle on a daily basis a paper or electronic receipt showing the parking charge paid by the recipient and the amount of tax paid or an indication that tax was included in the parking charge. Unless a cash register or electronic record is used which produces daily summary tapes summaries showing the number of motor vehicles parked, the total charges paid and the amount of tax collected for each range of parking charges described in Section 4-236-020, and the tapes summaries are maintained as required by Section 4-236-050, the paper receipt shall be in the form of a two-part numerical receipt and the operator shall retain one part and issue one part to the recipient. Each part shall show the parking charge and the amount of tax paid.

(d) Unless electronic records are kept identifying weekly and monthly parkers, Every operator shall require a tag to be attached to each motor vehicle that is permitted to park on a weekly or monthly basis, or other basis longer than one day. Each tag shall show the name of the operator and address of the parking lot or garage upon or in which the motor vehicle is parked; an identification number; the number and issuing state of the license plate of the parked motor vehicle; and whether the motor vehicle is parked on a weekly or monthly or other basis longer than one day, indicating starting and ending dates of the week, month or other period. Tags shall be issued by the operator in numerical sequence.

(e) The operator shall keep a book record of all tags issued, showing each tag's date of issuance, identification number and parking charge imposed. The operator shall remove, or cause to be removed, and shall void each tag at the end of the week, month or other applicable period, and shall cause a new tag to be attached to the motor vehicle at the beginning of each new period.

(f) Any operator that fails to maintain electronic records as allowed herein, or alternatively, to issue or attach one or more tickets, tags or receipts in the form or manner provided by this chapter shall be subject to a fine of not less than \$50.00 nor more than \$200.00 for each motor vehicle an electronic record is not maintained or to which a ticket, tag or receipt in the proper form was not issued or upon which a ticket or tag was not attached.

(g) In order to ensure the sound and efficient administration and enforcement of the tax imposed by this chapter, the comptroller by rule may impose recordkeeping, ticket or tag requirements in addition to the requirements contained in this chapter.

(Omitted text is unaffected by this ordinance)

SECTION 3. This ordinance shall be in full force and effect upon its passage and approval. Section 1 shall be deemed to apply retroactively to January 1, 2017. That part of Section 2 that amends Section 4-236-010 is intended to confirm rather than change existing law.