



Office of the City Clerk

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Legislation Text

File #: SO2015-2717, Version: 1

SUBSTITUTE ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule municipality under Article VII Section 6 of the 1970 Constitution of the State of Illinois; and

WHEREAS, Article VII, Section 10 of the Illinois Constitution, the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq., and other applicable laws permit and encourage units of local government and units of Illinois State Government to cooperate with and support each other in the exercise of their authority and the performance of their responsibilities; and

WHEREAS, under the Local Tax Collection Act, 35 ILCS 720/1, the Illinois Department of Revenue ("IDOR") may agree to collect and distribute any tax lawfully imposed by the City, the subject of which is similar to that of a tax imposed by the State and collected by IDOR, including, but not limited to, the Chicago Use Tax Ordinance for Nonretail Transfers of Motor Vehicles, Chapter 3-29 of the Municipal Code of Chicago, that is similar to the use tax imposed under Article X of Chapter 3 of the Illinois Vehicle Code by the State on the private sale of motor vehicles; and

WHEREAS, collection of the Chicago Use Tax Ordinance for Nonretail Transfers of Motor Vehicles by IDOR would promote operations in an efficient and cost-effective manner; and

WHEREAS, the amendments provided by this ordinance will allow for the collection of the Chicago Use Tax Ordinance for Nonretail Transfers of Motor Vehicles by IDOR; now therefore,

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

SECTION 1. Chapter 3-29 of the Municipal Code of Chicago is hereby amended by adding the underscored language and deleting the struck-through language as follows:

(Omitted text is not affected by this ordinance)

3-29-020 Definitions.

A. When any of the following words or terms are used in this chapter, they shall have the meaning or construction ascribed to them in this section:

(Omitted text is not affected by this ordinance)

- 6) "Use" has, to the extent applicable, the meaning set forth in the Illinois Use Tax Act.
- 7) "Using in the city" means titling or registering, with an agency of the State of Illinois, a motor vehicle at a location within the corporate limits of the city.

(Omitted text is not affected by this ordinance)

3-29-040 Tax rate.

A. Except as provided in subsections B and C of this section, the rate of the tax imposed by this chapter shall be as follows:

Number of Years Transpired After Model Year of Motor Vehicle	Applicable Tax
34- or less	\$80.008&£0
2	<i>mm</i>
3-	4\$t00
4 through 8	65.ormo©
&	
6	<i>2om</i>
1	
9 through 148 or more	50.004&OO
15 or more	0.00 Cno tax)

B. The rate of the tax shall be \$15.0040.00 for each motor vehicle acquired under the following circumstances:

- 1) The transferee or purchaser is the spouse, mother, father, brother, sister or child of the transferor and proof of family relationship is established;
- 2) The transfer is a gift to a beneficiary in the administration of an estate and the beneficiary is not a surviving spouse;
- 3) The motor vehicle has once been taxed pursuant to the Illinois Retailers' Occupation Tax Act, 35 ILCS 120/1, et seq., as amended, or the Illinois Use Tax Act or any other state retailers' occupation tax, sales tax or use tax and the motor vehicle is transferred in connection with the organization, reorganization, dissolution or partial liquidation of an incorporated or unincorporated business, provided that the beneficial ownership is not changed.

C. The rate of the tax shall be \$15.0040.00 for each motorcycle, motor-driven cycle or motorized pedacycle that is acquired.

3-29-050 Exemptions.

Notwithstanding any other provision of this chapter, the tax imposed by this chapter shall not apply to:

A. A motor vehicle that is purchased and used by a governmental agency or a society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes;

B. The use of a motor vehicle that is exempt under ~~the applicable provisions of Section 3-55(b), (c), (d), (e) or (f)~~ of the Illinois Use Tax Act;

C. Implements of husbandry;

D. A motor vehicle for which a junking certificate has been issued pursuant to Section 3-117.1 (a) of the Illinois Vehicle Code;

E. ~~A motor vehicle that is subject to the replacement vehicle tax imposed by either Section 3-2001 of the Illinois Vehicle Code or the Chicago Replacement Vehicle Tax, Chapter 3-10 of this Code;~~

EF. A motor vehicle that is transferred as a gift to a beneficiary in the administration of an estate and the beneficiary is a surviving spouse.

3-29-055 Collection of tax.

A. In accordance with the Local Tax Collection Act (35 ILCS 720/0.01 et seq.), the city comptroller may enter into and execute an agreement with the Illinois Department of Revenue to allow the Illinois Department of Revenue to collect and enforce the tax imposed by this chapter on behalf of the city including all civil penalties that may be assessed as an incident of the tax. Such agreement may provide for an administration fee and indemnification. At such time as the Illinois Department of Revenue begins to collect and enforce the tax pursuant to such an agreement, the Illinois Department of Revenue shall have full power to administer and enforce the provisions of this chapter.

B. If an agreement is entered into and executed as provided in this section, the Illinois Department of Revenue and persons subject to the tax collected by the Illinois Department of Revenue pursuant to this chapter shall, as much as practicable and to the extent allowed by law, have the same rights, remedies, privileges, immunities, powers, and duties, and be subject to the same conditions, restrictions, limitations, penalties, definitions of terms and procedures, as those set forth in the Local Tax Collection Act (35 ILCS 720 et seq.) and the intergovernmental agreement between the City of Chicago and the Illinois Department of Revenue executed in accordance with that Act, the Vehicle Use Tax under Article X of Chapter 3 of the Illinois Vehicle Code (625 ILCS 5/3-1001 et seq.), and the Uniform Penalty and Interest Act (35 ILCS 735/3-1 et seq.).

3-29-060 Obligation of taxpayers to file returns and pay tax.

Except as otherwise provided under Section 3-29-055, every person that is required to pay the tax imposed by this chapter shall file a return on a form prescribed by the comptroller and pay all applicable tax to the city department or its designee on or before the last day of the calendar month following the month that the motor vehicle was acquired.

3-29-070 Rules and regulations.

Except as otherwise provided under Section 3-29-055. The comptroller is authorized to adopt,

promulgate and enforce reasonable rules and regulations pertaining to the administration and enforcement of this chapter.

3-29-080 Application of Uniform Revenue Procedures Ordinance.

Except as otherwise provided under Section 3-29-055, whenever not inconsistent with the provisions of this chapter or whenever this chapter is silent, the provisions of the Uniform Revenue Procedures Ordinance, Chapter 3-4 of this Code, as amended, shall apply to and supplement this chapter.

SECTION 2. This ordinance shall take effect upon passage and approval.

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

A substitute ordinance amending Chapter 3-29 of the Municipal Code of Chicago by creating Section 3-29-055 regarding the Chicago Use Tax Ordinance for Nonretail Transfers of Motor Vehicles.

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Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith

**This recommendation was concurred in by
of members of the committee with**

Respectfully submitted

Chairman