



# Office of the City Clerk

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## Legislation Details (With Text)

**File #:** O2014-8960

**Type:** Ordinance      **Status:** Passed

**File created:** 11/5/2014      **In control:** City Council

**Final action:** 11/19/2014

**Title:** Amendment of Municipal Code Titles 3 and 4 regarding various taxes, charges and fees (2015 Revenue Ordinance)

**Sponsors:** Emanuel, Rahm

**Indexes:** Ch. 24 Chicago Hotel Accommodations Tax, Ch. 27 Chicago Use Tax Ordinance for Nontitled Personal Property, Ch. 32 Chicago Personal Property Lease Transaction Tax, Ch. 156 Amusements, Ch. 236 Parking Lot & Garage Operations Tax

**Attachments:** 1. O2014-8960.pdf

Date	Ver.	Action By	Action	Result
11/21/2014	1	City Council	Signed by Mayor	
11/19/2014		City Council	Passed	Pass
11/12/2014	1	City Council	Deferred and Published	
11/10/2014	1	Committee on Finance	Recommended to Pass	Pass
11/5/2014	1	City Council	Referred	

CHICAGO November 12, 2014

**To the President and Members of the City Council:**

**Your Committee on Finance having had under consideration**

An ordinance authorizing amendments to various sections of the Municipal Code of Chicago, which relate to revenue derived from certain taxes, fines, and fees.

02014-8960

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** **(a(viva voce vote**  
**of members of the committee with** **dissenting vote(s**

**Respectfully submitted**

**(signed**

**7**

**Chairman**

**Document No.**

**REPORT OF THE COMMITTEE ON FINANCE TO THE CITY COUNCIL CITY OF CHICAGO  
OFFICE OF THE MAYOR**

CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

November 5, 2014

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

Ladies and Gentlemen:

At the request of the Budget Director, I transmit herewith the Fiscal Year 2015 Revenue Ordinance.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

**REVENUE ORDINANCE**

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6 (a) of the Illinois Constitution; and

WHEREAS, As a home rule unit of government, the City of Chicago may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

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

SECTION 1. Section 3-24-020 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

**3-24-020 Definitions - Construction.**

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

*(Omitted text is unaffected by this ordinance)*

3.5. "Gross rental or leasing charge" means the gross amount of consideration for the use or privilege of using hotel accommodations 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 "gross rental or leasing charge" shall exclude separately stated optional charges not for the use or privilege of using hotel accommodations.

4. "Hotel accommodations" means, except as otherwise provided in this paragraph, a room or rooms in any building or structure kept, used or maintained as or advertised or held out to the public to be an inn, motel, hotel, apartment hotel, lodging house, bed-and-breakfast establishment, vacation rental, as defined

in Section 4-6-300, dormitory or similar place, where sleeping, rooming, office, conference or exhibition accommodations are furnished for lease or rent, whether with or without meals. The term "hotel accommodations" shall not include (i) an accommodation which a person occupies, or has the right to occupy, as his domicile and permanent residence; (ii) any temporary accommodation provided in any building or structure owned or operated, directly or indirectly, by or on behalf of a not-for-profit medical institution, hospital, or allied educational institution; or (iii) an accommodation in a bed-and-breakfast establishment that is licensed ~~subject to licensing~~ under Section 4-6-290.

1

5. "Operator" means any person who has the right to rent or lease hotel accommodations to the public for consideration or who, directly or indirectly, receives or collects the price, charge or rent paid for the rental or lease of hotel accommodations. This term includes, but is not limited to, persons engaged in the business of selling or reselling to the public the right to occupy hotel accommodations, whether on-line, in person or otherwise. The term also includes persons engaged in the business of facilitating the rental or lease of hotel accommodations for consideration, whether on-line, in person or otherwise.

*(Omitted text is unaffected by this ordinance)*

SECTION 2. Section 3-27-030 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

**3-27-030 Tax imposed.**

*(Omitted text is not affected by this ordinance)*

D. To prevent multiple taxation, the use of nontitled tangible personal property in the city by a person who paid a municipal tax in another municipality with respect to the sale, purchase or use of the property shall be exempt from the tax imposed by this chapter to the extent of the amount of the tax properly due and actually paid in the other municipality. For the purpose of this provision:

L the term "tax properly due" does not include the amount of any tax that the other municipality has agreed to rebate, reimburse, refund or otherwise return (collectively "rebate"); and

2. the term "tax actually paid" does not include:

- a. the amount of any tax that the other municipality rebates; or
- b. the amount of any rebate that is received by the taxpayer, the taxpayer's agent, or any entity that, directly or indirectly, (i) is owned, managed or controlled by the taxpayer, (ii) is under common ownership, management or control with the taxpayer, or (iii) owns, manages or controls the taxpayer.

*(Omitted text is not affected by this ordinance)*

SECTION 3. Chapter 3-32 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

### 3-32-020 Definitions.

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When any of the following words or terms are used in this chapter, whether or not capitalized and whether or not used in a conjunctive or connective form, they shall have the meaning or construction ascribed to them in this section:

A: ~~"Car sharing organization" means a membership based entity engaged in the business of leasing or renting passenger automobiles to its members primarily on an hourly basis, (i) where the majority of the automobiles meet the federal Environmental Protection Agency's definition of an "Ultra Low Emission Vehicle", (ii) where all of the automobiles have a Greenhouse Gas Score of 5 or greater as defined in the United States Environmental Protection Agency's "Green Vehicle Guide", (iii) where the automobiles are available to members through a self-service reservation system, without the need for a separate written agreement upon each use; (iv) where the entity provides all legally required insurance as a part of its initiation fees, membership dues or leasing or rental charges, and (v) where the entity's annual membership dues are at least two times its average hourly leasing or rental rate.~~

*(Omitted text is unaffected by this ordinance)*

K. "Lease price" or "rental price" means the consideration for the lease or rental of personal property, 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 price by a lessor on account of the tax imposed by this chapter or on account of any other tax imposed on the lessee for the lease or rental of personal property. The term "lease price" or "rental price" shall exclude separately stated optional charges not for the use of personal property. ~~If any separately stated charge is not optional, it shall be presumed unless proved otherwise that it is part of the charge for the use of the personal property.~~

*(Omitted text is unaffected by this ordinance)*

Q-. ~~"Passenger automobile" means a "larger passenger automobile" or "smaller passenger automobile" as those terms are used in the City's "wheel tax" ordinance, chapter 3-56 of this Code.~~

*(Omitted text is unaffected by this ordinance)*

### 3-32-030 Tax imposed.

*(Omitted text is unaffected by this ordinance)*

B. The rate of the tax shall be nine ~~eight~~ percent of the lease or rental price. The tax shall be paid by the lessee at the time of each lease or rental payment, and each tax payment shall be determined by applying the tax rate to the lease or rental payment.

*(Omitted text is unaffected by this ordinance)*

### **3-32-050 Exempt leases, rentals or uses.**

#### **3**

A. Notwithstanding any other provision of this chapter, the following leases, rentals or uses shall be exempt from the tax imposed by this chapter:

*(Omitted text is unaffected by this ordinance)*

(44)-~~The lease, rental or use of a passenger automobile by a natural individual, where the individual is a member of a car sharing organization, where the lease or rental is from the car sharing organization and where the automobile is picked up from a location in the City other than an airport, to the extent of all initiation fees, membership dues and lease or rental charges paid by the member to the car sharing organization for a lease or rental that takes place on an hourly basis, but not including any lease or rental charges that are paid for leases or rentals that take place on a daily or weekly basis.~~

*(Omitted text is unaffected by this ordinance)*

SECTION 4. 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:

### **4-156-010 Definitions.**

For purposes of this chapter:

*(Omitted text is unaffected by this ordinance)*

"Charges paid" means the gross amount of consideration paid for the privilege to enter, to witness, to view or to participate in an amusement, 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 on account of the tax imposed by this chapter or on account of any other tax imposed on the charge.

*(Omitted text is unaffected by this ordinance)*

"License" means a ticket or other license granting the privilege to enter, to witness, to view or to participate in an amusement, or the opportunity to obtain the privilege to enter, to witness, to view or to participate in an amusement, and includes but is not limited to a permanent seat license.

*(Omitted text is unaffected by this ordinance)*

"Operator" means any person who sells or resells a ticket or other license to an amusement for consideration or who, directly or indirectly, receives or collects the charges paid for the sale or resale of a ticket or other license to an amusement. The term includes, but is not limited to, persons engaged in the business of selling or reselling tickets or other licenses to amusements, whether on-line, in person or otherwise. The term also includes persons engaged in

the business of facilitating the sale or resale of tickets or other licenses to amusements, whether on-line, in person or otherwise.

*(Omitted text is unaffected by this ordinance)*

"Resale" means the resale of a ticket or other license to an amusement after the ticket or other license has been sold by the owner, manager or operator of the amusement, or by the owner, manager or operator of the place where the amusement is being held, to an independent and unrelated third party.

"Reseller" means a person who resells a ticket or other license to an amusement for consideration. The term includes but is not limited to ticket brokers, and applies whether the ticket is resold by bidding, consignment or otherwise, and whether the ticket is resold in person, at a site on the Internet or otherwise.

~~"Reseller's agent" means a person who, for consideration, resells a ticket on behalf of the ticket's owner or assists the owner in reselling the ticket. The term includes but is not limited to an auctioneer, a broker or a seller of tickets for amusements, as those terms are used in 65 ILCS 5/11-42-1, and applies whether the ticket is resold by bidding, consignment or otherwise, and whether the ticket is resold in person, at a site on the Internet or otherwise.~~

*(Omitted text is unaffected by this ordinance)*

#### **4-156-020 Tax imposed.**

*(Omitted text is unaffected by this ordinance)*

F. The tax imposed in subsection A of this section shall apply to and be imposed upon 10060 percent of the admission fees or other charges (including, but not limited to, the gross lease or rental amount) paid for the privilege of using special seating areas to witness or to view an amusement; provided, however, that the amusement tax that would otherwise be due upon such charges shall be reduced by any other city taxes imposed on such charges, if such taxes are separately stated and paid by the patron, either directly or as an authorized reimbursement.

*(Omitted text is unaffected by this ordinance)*

H. For the purpose of determining the amount of the amusement tax due under Section 4-156-020, admission fees or other charges shall be computed exclusive of this tax, any federal, state or county taxes imposed upon the amusement patron and any separately stated optional charges for nonamusement services or for the sale or use sales of tangible personal property.

*(Omitted text is unaffected by this ordinance)*

J. ~~Notwithstanding subsection A of this section, if an owner, manager or operator of an amusement or of a place where an amusement is being held, or if a reseller of tickets to an amusement, is a party to a franchise agreement or any other agreement with the city pursuant to which the owner, manager, operator or reseller compensates the city for the right to use the public way or to do business in the city, the patron's liability under the tax imposed by subsection A shall be reduced by the amount paid to the city pursuant to the agreement in connection with the same charges that create the patron's liability for the tax imposed by subsection A; provided, however, that the reduction shall not exceed three percent of the charges that create the patron's liability for the tax imposed by subsection A.~~

#### **4-156-030 Collection, payment and accounting.**

A. It shall be the joint and several duty of every owner, manager or operator of an amusement or of a place where an amusement is being held, and of every reseller ~~of tickets to an amusement, and of every reseller's agent,~~ to secure from each patron or buyer the tax imposed by Section 4-156-020 of this article and to remit the tax to the department of finance not later than the 15th last day of each calendar month for all admission fees or other charges received during the immediately preceding calendar month; provided, however, that a reseller of tickets, ~~and a reseller's agent,~~ shall be required to collect and remit tax to the department of finance only on that portion of the ticket price that exceeds the amount that the reseller paid for the tickets. For purposes of this provision, it shall be presumed that the amount that the reseller paid for the tickets is the face amount of the tickets, unless the taxpayer or tax collector proves otherwise with books, records or other documentary evidence. A verified statement of admission fees or charges in a form prescribed by the comptroller shall accompany each remittance. Acceptance by the city of any amount tendered in payment of the tax shall be without prejudice to any claim, demand or right on account of any deficiency.

*(Omitted text is unaffected by this ordinance)*

C. Every owner, manager, operator, or reseller ~~of tickets, or reseller's agent,~~ who is required to collect the tax imposed by Section 4-156-020 of this article shall be considered a tax collector for the city. All amusement tax collected shall be held by such tax collector as trustee for and on behalf of the city. The failure of the tax collector to collect the tax shall not excuse or release the patron from the obligation to pay the tax.

*(Omitted text is unaffected by this ordinance)*

E. [Reserved]

~~Notwithstanding subsection A of this Section 4-156-030, a reseller's agent shall not be required to collect the tax imposed by Section 4-156-020 and remit the tax to the department of finance, if the reseller provides to the reseller's agent (1) a written verification that the reseller is registered with the department of finance and (2) the tax registration number issued to the reseller by the department of finance. In any other case involving a reseller's agent, the reseller's agent shall be primarily responsible for collecting and remitting the tax, and the reseller shall be responsible for collecting and remitting only if the reseller's agent fails to do so.~~



*(Omitted text is unaffected by this ordinance)*

#### **4-156-033 Additional tax imposed on sellers of tickets.**

At In addition to the tax imposed by Section A 156-020 of this article, a tax is imposed upon persons that sell tickets in the city for theatricals, shows, exhibitions, athletic events and other amusements within the city at a place other than the theater or location where the amusement is given or exhibited. The rate of this tax shall be nine percent of any service fees or similar charges received by the seller in connection with the sale of such tickets in the city, as distinguished from the admission fees or other charges paid for the privilege to enter, to witness, to view or to participate in such amusements. This tax shall not apply if the theatrical, show, exhibition, athletic event or other amusement is exempt or otherwise not subject to the tax imposed by Section <A 156-020.

Br To prevent multiple taxation, upon proof that a taxpayer has paid a similar tax in another state or municipality with respect to the service fee or similar charge received by a seller in connection with the sale of tickets in the city, the taxpayer shall be allowed a credit against the tax authorized by subsection A. of this section to the extent of the amount of such tax properly due and paid in such other state or municipality.

Gt Sellers of tickets shall pay the tax imposed by this Section 4-156-033 to the department of finance not later than the last day of the calendar month following the month they receive the service fees or similar charges. A return prescribed by the comptroller shall accompany each tax payment. Such sellers of tickets shall keep accurate books and records of their business, including original source documents and books of entry, which shall be made available for inspection by the department of finance at all times during business hours of the day.

Br Notwithstanding any other provision of this chapter, for all periods beginning on or after January 1, 2000, (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) the provisions of 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.

*(Omitted text is unaffected by this ordinance)*

SECTION 5. 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:

*(Omitted text is unaffected by this ordinance)*

"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. ~~If any separately stated charge is not optional, it shall be presumed, unless proved otherwise, that it is part of the charge for the use or privilege of parking.~~

*(Omitted text is unaffected by this ordinance)*

"Parking lot" or "garage" means any building, structure, premises, enclosure or other place, whether enclosed or not, except a public way, within the City of Chicago, where four or more motor vehicles are stored, housed or parked for hire, charge, fee or other valuable consideration in a condition ready for use, or where rent or compensation is paid to the owner, manager, operator or lessee of the premises for the housing, storing, sheltering, keeping or maintaining of such motor vehicles; ~~provided, however, that said terms shall not include residential parking provided for single family homes or multiple family dwelling units, wherein an arrangement for such parking is provided on a rental basis to meet the terms of the Chicago Zoning Ordinance for off street parking, the consideration therefor being set forth in the house or apartment lease or in a separate writing between the landlord and tenant, or if in a condominium between the condominium association and the owner, occupant or guest of a unit whether the parking charge is payable to the landlord, condominium association, or to the operator of the parking lot or garage.~~

*(Omitted text is unaffected by this ordinance)*

#### **4-236-020 Tax imposed.**

*(Omitted text is unaffected by this ordinance)*

c) The tax imposed by this chapter shall not apply to residential off-street parking of house or apartment tenants or condominiums ~~required by the City of Chicago Zoning Ordinance~~, wherein an arrangement for such parking is provided in the house or apartment lease or in a separate writing between the landlord and tenant, or if in a condominium between the condominium association and the owner, occupant or guest of a unit, whether the parking charge is payable to the landlord, condominium association, or to the operator of the parking lot or garage.

d) (i) The tax imposed by this chapter shall not apply if the charge or fee imposed for the privilege of parking does not exceed \$2.00 for a 24-hour period or less, or \$10.00 for a weekly period or \$40.00 for a monthly period.

8

ii) The tax imposed by this chapter for the privilege of parking for a 24-hour period or less shall be 20% 4-8% of the charge or fee paid for parking on a Saturday or Sunday; and 22% 20% of the charge or fee paid for parking on a Monday, Tuesday, Wednesday, Thursday or Friday.

iii) The tax imposed by this chapter for the privilege of parking on a weekly basis shall be 22% 20% of the charge or fee paid for parking.

iv) The tax imposed by this chapter for the privilege of parking on a monthly basis shall be

22% 20% of the charge or fee paid for parking.

v) The tax rates set forth in subsections (d)(ii) - (iv) shall be deemed to apply to the privilege of parking a motor vehicle in a parking lot or garage unless the taxpayer or tax collector keeps accurate and complete books and records as required by this chapter showing that no tax applies.

*(Omitted text is unaffected by this ordinance)*

(h) ~~The comptroller shall promulgate a rule effective February 1, 1995 stating that valet parking operators are required to collect the tax imposed by this chapter, and to remit the tax to the department of finance, when a person pays consideration to them for the privilege of occupying a space on or upon any parking lot or garage; provided, however, that a valet parking operator is not required to collect or remit tax if the valet parking operator or the recipient pays the tax to the person conducting the operation of the parking lot or garage.~~

#### **4-236-025 Additional tax imposed on valet parking businesses.**

A. In addition to the tax imposed by Section 4-236-020 of this chapter, a tax is imposed upon persons engaged in the business of valet parking in the City. The rate of this tax shall be 20% of the gross amount of consideration received by the valet parking business in connection with its valet parking operations in the city, including all related service fees or similar charges.

B. A valet parking business that has paid or remitted the tax imposed by Section 4-236-020 in connection with the same transactions that are subject to subsection A of this section shall be entitled to a credit against the amount of tax owed under subsection A of this section. The valet parking business shall have the burden of proving its entitlement to this credit with books, records and other documentary evidence.

C. Valet parking businesses shall file returns and pay the tax as follows: (1) all tax returns shall be filed with the department 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) the provisions of Sections 3-4-186, 3-4-187, 3-4-188

9

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and 3-4-189 shall control over any contrary provisions in this chapter regarding, the subjects covered by those sections.

*(Omitted text is unaffected by this ordinance)*

SECTION 6. Those portions of Sections 1, 2, 4 and 5 of this ordinance that add subsection 3-24-020(A) (3.5) and that amend subsection 3-27-030(D), section 4-156-010, subsection 4-156-020 (H) and the definitions of "parking lot" and "garage" in section 4-236-010 of the Municipal Code are intended to clarify, rather than change, existing law.

SECTION 7. The provisions of this ordinance are declared to be separate and severable. The invalidity of any provision of this ordinance, or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

SECTION 8. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

SECTION 9. Those provisions identified in Section 6 of this ordinance, and that portion of Section 4 of this ordinance that amends subsection 4-156-020(F) of the Municipal Code, shall take effect immediately upon due passage and approval. The remainder of this ordinance shall take effect on January 1, 2015.