

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:

This ordinance is organized into Articles, as follows:

Article I.	Taxes
Article II.	Fees
Article III.	Public Passenger Vehicles
Article IV.	Exemptions
Article V.	Miscellaneous
Article VI.	Vehicle Violation Debt Relief
Article VII.	Employers' Expense Tax and SEED Credit
Article VIII.	Property Tax Increase Suspender
Article IX.	Severability; Superseder
Article X.	Effective Dates

ARTICLE I. TAXES

SECTION 1. Section 2-28-030 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

2-28-030 Commissioner – Powers and duties.

The duties and powers of the Commissioner shall be as follows:

(Omitted text is not affected by this ordinance)

(n) To issue letters of registration and promulgate rules establishing the eligibility of motion picture and television productions to qualify for the rate of tax set forth in subsection B.1 of Section 3-32-030.

SECTION 2. Section 3-32-030 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

3-32-030 Tax imposed.

(Omitted text is not affected by this ordinance.)

B. The rate of the tax shall be ~~fifteen~~ twenty percent of the lease or rental price, and shall not be increased prior to January 1, 2028 unless subsection B.1 or B.2 of this section provides for a lower rate. 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.

B.1 For the lease or rental in the City of personal property for use in a motion picture or television production filmed in Chicago, the rate of the tax shall be eleven percent of the lease or rental price, provided that: (1) the lessee has been issued an accredited production certificate under the Illinois Film Production Services Tax Credit Act of 2008, codified at 35 ILCS 16/1 et seq., or a letter of registration by the Commissioner of Cultural Affairs and Special Events; and (2) the lessor is registered with the Department of Finance as a qualified lessor for the purpose of lease or rental of personal property for use in motion picture or television productions.

B.2 For the lease or rental of a motor vehicle, as defined in Section 1-146 of the Illinois Vehicle Code, 625 ILCS 5/1-146, the rate of the tax shall be fifteen percent of the lease or rental price.

(Omitted text is not affected by this ordinance.)

SECTION 3. Section 3-33-060 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by adding the language underscored, as follows:

3-33-060 Exempt transfers.

Subject to the requirement contained in subsection 3-33-070(C) of this chapter, the following transfers are exempt from the tax or the specified portion of the tax imposed by this chapter:

(omitted text is unaffected by this ordinance)

~~L. Transfers of title to, or beneficial interest in, real property used primarily for commercial or industrial purposes located in an enterprise zone, as defined in Chapter 16-12 of this Code;~~

~~M. Transfers in which the deed or other instrument of transfer is issued to the mortgagee or secured creditor pursuant to a mortgage or security interest foreclosure proceeding or sale or pursuant to a transfer in lieu of foreclosure; and~~

~~N. M. Transfers in which the transferee is a participant in the Illinois Home Ownership Made Easy Program (H.O.M.E.), authorized under the Illinois Home Ownership Made Easy Act, 310 ILCS 55/1-;~~

~~O. N. Transfers in which the transferee is a person 65 years of age or older who demonstrates, by proof acceptable to the Chicago Tax Assistance Center, (1) that he will occupy the property as his principal dwelling place for at least one year following the transfer, and (2) that the transfer price is \$250,000.00 or less; provided, that this exemption applies only to the C.T.A. portion of the tax; and provided further, that this exemption shall be administered in the form of a refund for which the transferee desiring the refund shall apply to the Chicago Tax Assistance Center within three years following the transfer; and~~

~~P. O. The transfer of title to or a beneficial interest in the primary residence of a legally recognized couple, from one member of the couple to the other, by order of court resulting from a legal separation or divorce proceeding.~~

SECTION 4. Section 16-12-070 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by adding the language underscored, as follows:

16-12-070 Incentives, benefits and regulatory relief.

(a) The following incentives, benefits and regulatory relief shall apply, to the extent stated herein, to residents, employees, employers, businesses and other persons within an enterprise zone or in their dealings with others in an enterprise zone:

(omitted text is unaffected by this ordinance)

3. ~~The following city~~ City's Home Rule Municipal Retailers' Occupation Tax, as codified in Section 3-40-010 of the Code, taxes shall not apply to the ~~within an enterprise zone, to the extent stated herein:—~~

~~A. Each retailer who makes a retail sale of building materials to be incorporated into real estate in an enterprise zone within the city City, by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the Home Rule Municipal Retailers' Occupation Tax, Chapter 3-40, Section 3-40-010 of the Municipal Code of Chicago, if the building materials are exempt from taxation pursuant to Section 35 ILCS 120/5k of the Illinois Retailers' Occupation Tax Act. "Retailer" shall have the same meaning as given such in the Home Rule Municipal Retailers' Occupation Tax Act. This tax benefit exemption shall only apply to the sale of building materials that will be incorporated into real estate as part of a building project for which a certificate of eligibility for sales tax exemption has been issued by the administrator of the city City enterprise zone. To document the exemption allowed under this section, the retailer must obtain from the purchaser a copy of the certificate of eligibility for sales tax exemption (the "certificate") issued by the administrator of the enterprise zone. The certificate must contain the following information:~~

~~1 A.~~ A statement that the building project identified in the certificate meets all the requirements for the building material exemption allowed by this section;

~~2 B.~~ The location or address of the building project;

~~3 C.~~ The signature of the administrator of the enterprise zone;

and

~~4 D.~~ Certification from the purchaser of the following:

~~a i.~~ The building materials are being purchased for incorporation into real estate located in an Illinois enterprise zone;

~~b ii.~~ The location or address of the real estate into which the building materials will be incorporated;

~~c iii.~~ The name of the enterprise zone in which that real estate is located;

~~d iv.~~ A description of the building materials being purchased;

~~e v.~~ The purchaser's signature and date of purchase.

~~B. The transfer of title to, or beneficial interest in, real property used primarily for commercial or industrial purposes located within an enterprise zone shall be exempt from the Chicago Real Property Transfer Tax, Chapter 3-33 of this Code.~~

4. The following ~~city~~ City ordinances and regulations shall be modified or eliminated, to the extent provided herein, in an enterprise zone.

A. All zoning and zoning districts within an enterprise zone shall be reviewed by the zone administrator with assistance from the zoning administrator for the ~~city~~ City ~~the zoning board of appeals.~~ The zone administrator shall before June 1, 1983, and afterwards

as ~~he~~ the zone administrator deems necessary, recommend to the city council, modifications to the Chicago Zoning Ordinance, Title 17 of the Municipal Code of Chicago, in relation to the ~~city~~ City's enterprise zones, to further the purposes of this chapter. Any modifications shall be subject to the restrictions on such in the Illinois Enterprise Zone Act.

In the interim and until changed, as to variances within a zoned district in an enterprise zone, the zone administrator shall have the power, concurrently with the zoning board of appeals, to grant a variance to a person whenever ~~he~~ the zone administrator feels it necessary or proper to encourage business growth in the enterprise zone, without harming other community interests. The zone administrator ~~must~~ shall hold a public hearing on the proposed variance, and publish notice of such in a newspaper of general circulation within the enterprise zone affected at least 15 days but not more than 30 days before the hearing. The hearing shall be held within 60 days of receipt of a valid application for variance.

B. [Reserved.].

C. All ~~city~~ City licenses shall be issued by the zone administrator or ~~his representative~~ the zone administrator's designee. A person, therefore, shall be able to obtain all necessary ~~city~~ City licenses from the zone administrator. Any licenses that require an investigation or other determination, other than ministerial, shall be subject to review by the ~~city~~ City department normally issuing or reviewing such, before the license will be issued by the zone administrator or ~~his representative~~ the zone administrator's designee. In such a situation an application for the license may still be made to the zone administrator, but only a receipt for the application will be issued. The zone administrator or ~~his representative~~ the zone administrator's designee shall, thereafter, send the application to the proper ~~city~~ City department for review and determination. These applications shall be given priority status by such ~~city~~ City department.

D. The zone administrator may also review all other ~~city~~ City ordinances and regulations that may affect an enterprise zone, and make recommendations for modifications to them if ~~he~~ the zone administrator feels it necessary to further the purposes of this chapter.

(b) The ~~department~~ Department may recommend to the ~~city council~~ City Council organizations that qualify as designated zone organizations under the Illinois Enterprise Zone Act. The ~~city council~~ City Council may declare one or more of these organizations as designated zone organizations under this chapter. Such designated zone organizations shall have the following powers, unless otherwise stated by the ~~city council~~ City Council:

1. To provide volunteer day care centers, drug abuse programs or recreational activities for zone area youth;

2. To establish crime watch patrols within the zone neighborhoods, in conjunction with the ~~city~~ City police department;

3. To contract with the zone administrator to provide necessary services to the zone, which had in the past been performed by the ~~city~~ City or others, if the zone administrator determines that the designated zone organization will more properly, efficiently and economically perform the service. The services that can be contracted for are those listed in Section 8 of the Illinois Enterprise Zone Act;

4. To voluntarily provide, or to contract with the zone administrator to provide, other services that are specifically allowed by the ~~city council~~ City Council;

5. To voluntarily provide other services that are stated in Section 8 of the Illinois Enterprise Zone Act and to have the authority to perform the other functions stated in such section, subject to receiving the necessary governmental authorizations;

6. To take title to any real property, in an enterprise zone, sold to such designated zone organization under the ~~city~~ City's urban shopstead program, subject to the restrictions stated in its sales agreement with the ~~city~~ City, those stated in the Illinois Enterprise Zone Act and those stated in this chapter. This paragraph 6 only applies if the enterprise zone was certified an enterprise zone under the Illinois Enterprise Zone Act.

SECTION 5. Chapter 3-44 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by adding the language underscored, as follows:

3-44-020 Definitions.

Whenever any of the following words, terms or phrases are used in this chapter, they shall have the following meanings:

- (a) "City" means the City of Chicago, Illinois.
- (b) "Department" means the ~~department~~ Department of finance ~~Finance of the city~~ City.
- (c) ~~[Reserved]~~ "Delivery company" shall mean a business that enters into an agreement with a retail alcoholic beverage dealer, pursuant to which the business, through its employees, agents or independent contractors, receives alcoholic beverage orders, accepts customer payments, and delivers alcoholic beverages to customers.
- (d) "Alcohol" means the product of distillation of any fermented liquid, whether rectified or diluted, whatever may be the origin thereof, and includes synthetic ethyl alcohol. It does not include denatured alcohol or wood alcohol.

(omitted text is unaffected by this ordinance)

3-44-031 Tax imposed – Off premises consumption.

(a) Notwithstanding anything in Section 3-44-030 to the contrary, in addition to any and all other taxes authorized by law excluding the tax imposed by Section 3-44-030, a tax is hereby imposed on the privilege of purchasing or using, in the City, alcoholic beverages purchased in a sale at retail for consumption off of the premises where such alcoholic beverages are sold. This tax shall be paid by the purchaser and nothing in this chapter shall be construed to impose a tax on the occupation of retail or wholesale alcoholic beverage dealer. The rate of the tax under this section shall be ~~one and a half~~ three percent of the purchase price, exclusive of any other tax charged for such alcoholic beverages.

(b) On a quarterly basis, the Department of Finance, in consultation with the Department of Business Affairs and Consumer Protection, shall report to the Committee on Finance on the financial impacts of the tax imposed by this section and the compliance with such requirements.

3-44-040 Liability for payment.

The ultimate incidence and liability for payment of the tax herein levied is to be borne by the retail purchaser of alcoholic beverages. It shall be a violation of this chapter for a retail alcoholic beverage dealer or a delivery company, as applicable, to fail to include the tax imposed herein in the sale price of the alcoholic beverage, or to otherwise absorb such tax.

3-44-050 Collection.

(a) Except as otherwise provided herein, the tax levied under this chapter shall be collected by each wholesale dealer of alcoholic beverages who sells such beverages to a retail dealer of alcoholic beverages located in the City.

(b) Any wholesale alcoholic beverage dealer required to collect the tax levied by this chapter shall collect the tax from each retail alcoholic beverage dealer in the City to whom the sale of said alcoholic beverages is made, and any such retail alcoholic beverage dealer shall in turn then collect the tax from the purchaser of said alcoholic beverages. The tax shall be paid to the person required to collect it as trustee for and on the behalf of the City.

(c) If any retailer shall receive or otherwise obtain alcoholic beverages upon which the tax imposed herein applies but has not been collected by any wholesale alcoholic beverage dealer, including any instance where the tax under Section 3-44-030 was collected when the tax under Section 3-44-031 applies, then the retailer shall collect such tax and remit it directly to the ~~department~~ Department within 30 days of the receipt of such alcoholic beverage.

(d) If a wholesale alcoholic beverage dealer sells alcoholic beverages to a purchaser for use or consumption in the City and not for resale, such wholesale alcoholic beverage dealer shall collect the tax imposed herein from such purchaser and remit it to the ~~department~~ Department in the same manner as sales to retail alcoholic beverage dealers.

(e) For any tax imposed pursuant to Section 3-44-031 of the Code on the sale of alcoholic beverages for consumption off of the premises when such sale is made through a delivery company, it shall be the duty of each delivery company to collect the tax, remit the tax to the Department in accordance with Section 3-4-187 of the Code, and file returns with the Department, in accordance with Section 3-44-060(B) of the Code on each order where it accepts customer payments.

3-44-060 Report of sales.

A. Each wholesale alcoholic beverage dealer, or, as applicable under Section 3-44-050(e), each delivery company, shall file each month with the ~~department~~ Department, a sworn report of sales of alcoholic beverages in such form as prescribed and furnished by the ~~department~~ Department. Each report of sales of alcoholic beverages shall be accompanied by a remittance of the appropriate amount of tax applicable to the sale reported, and such report and tax shall be considered due on or before the 15th day of the month following the month for which the report and remittance is made; provided, however, that for reports and remittances covering December, 1991 and prior months, such reports and remittances shall be due on or before the 45th day from the last day of the month for which the report is filed. Payment of the tax imposed herein shall be made to the ~~department~~ Department.

B. 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~~ 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 and remittances 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 provision 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 6. Title 3 of the Municipal Code of Chicago is hereby amended by inserting a new Chapter 3-57, as follows:

CHAPTER 3-57 CHICAGO PACKAGING WASTE TAX

3-57-010 Title.

This chapter shall be known and may be cited as the "Chicago Packaging Waste Tax Ordinance". The tax imposed by this chapter shall be known as the "Chicago Packaging Waste Tax".

3-57-020 Definitions.

“Covered packaging” means any single-use packaging used to prepare, package, or ship tangible personal property sold at retail, which are designed, intended, or otherwise generally recognized as for one usage only before being discarded. The term “covered packaging” includes, without limitation, single-use fulfillment packaging, corrugated boxes, polymailer bags (plastic or paper), and similar protective coverings. The term “covered packaging” shall not include: (i) any original packaging; (ii) any packaging used to package solely prescription and nonprescription medicines, drugs, medical appliances including, but not limited to, tampons and sanitary napkins, and insulin, urine testing materials, syringes and needles used by diabetics; (iii) any packaging provided by a dine-in or take-out restaurant to contain food or drink purchased by the restaurant’s customers; (iv) any packaging that customers bring to a store for their own use or to carry away from the store goods that are not placed in a packaging provided by the store; and (v) any wholesale packaging that a retailer allows its customers to recycle by way of using such packaging to carry out goods purchased from the retailer.

“Department” means the Department of Finance.

“Original packaging” means the box, bag, receptacle, container, or other packaging containing tangible personal property for retail sale that is sealed and labeled by the manufacturer of such tangible personal property.

“Seller” means any person engaged in the business of selling tangible personal property in the City or to purchasers in the City.

The terms “application” and “third-party facilitator” have the respective meanings ascribed in Section 4-4-120 of this Code.

3-57-030 Tax imposed.

(a) Pursuant to the authority granted by 65 ILCS 5/8-11-6a, a tax is imposed on the use of covered packaging in connection with the retail sale of tangible personal property within the City, or that is consummated by shipment of such property to a location within the City, at the rate of \$0.15 per package, without regard to the number of items within such package. The incidence of the tax and the obligation to pay the tax are on the purchaser of the tangible personal property being carried out, or delivered, and the seller of such property shall collect and remit such tax, unless such sale is consummated, arranged, or facilitated by a third-party facilitator, in which case the third-party facilitator shall collect and remit such tax in accordance with Section 3-57-040 of this chapter.

(b) The tax imposed by this chapter shall not apply to any covered packaging subject to the Chicago checkout bag tax under Chapter 3-50 of this Code.

(c) Nothing in this chapter shall be construed to impose the tax on any person or activity which, under the constitutions of the United States or the State of Illinois, may not be taxed by the City.

3-57-040 Collection and remittance responsibilities.

(a) Except as otherwise provided herein, it shall be the duty of each seller of tangible personal property sold at retail within the City, or that is consummated by purchasing such property at retail in the City or shipment of such property to a location within the City, using covered packaging, to collect the tax imposed by this chapter from the purchaser of such property at the point of sale and to remit the tax to the Department in accordance with Section 3-57-050 of this chapter. In the event that a seller required to collect and remit taxes under this chapter fails to collect or remit the tax required to be collected by this chapter, the seller shall be liable to the City for the amount of such tax, plus any attendant penalties and interest.

(b) If a sale subject to the tax imposed by this chapter is consummated, arranged, or facilitated by means of an application, or if a third-party facilitator otherwise processes the payment for such sale, it shall be the duty of the third-party facilitator to collect the tax imposed by this chapter from the purchaser of such property at the point of sale and to remit the tax to the

Department in accordance with Section 3-57-050 of this chapter. In the event that a third-party facilitator required to collect and remit taxes under this chapter fails to collect or remit the tax required to be collected by this chapter, the third-party facilitator shall be liable to the City for the amount of such tax, plus any attendant penalties and interest.

3-57-050 Paying, collecting, and remitting the tax and filing returns.

On or before the last day of each calendar month, every person required to collect and remit the tax imposed by this chapter shall file with the Department a tax return and pay or remit all applicable tax attributable to the immediately preceding calendar month. The tax collector shall file the required return on a form prescribed by the Comptroller and shall provide such information as the Comptroller may reasonably require.

3-57-060 Books and records.

Every person required to collect and remit the tax imposed by this chapter shall keep accurate books and records of its business or activity, including original source documents and books of entry denoting the transaction that gave rise, or may have given rise, to the tax liability or any exemption that may be claimed. All such books and records shall be kept in the English language and, at all times during business hours of the day, shall be subject to and available for inspection by the Department.

3-57-070 Rules.

The Comptroller is authorized to adopt, promulgate, and enforce rules pertaining to the application, administration, and enforcement of the tax imposed by this chapter. To maximize enforcement of the tax imposed by this chapter, the Comptroller may consult and work in conjunction with the Commissioner of Business Affairs and Consumer Protection.

3-57-080 Application of Uniform Revenue Procedures Ordinance.

Whenever not inconsistent with the provisions of this chapter, the provisions of the Uniform Revenue Procedures Ordinance, Chapter 3-4 of this Code, shall apply to and supplement this chapter.

SECTION 7. Section 4-156-973 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

4-156-973 Tax imposed.

(a) There is hereby imposed a tax on each primary sports licensee operating in the City. The rate of the tax shall be ~~40.25~~ 20% of the adjusted gross sports wagering receipts from sports wagers that are placed within the City:

(1) at, or within a 5-block radius of, any of the following: a casino facility, race track facility, or sports facility where sports wagering is allowed under Section 4-156-968; or

(2) over the internet or through a mobile application as allowed under Section 4-156-968 and verified as having been placed within the City utilizing the internet wagering system requirements provided in Section 1900.1430 of the Sports Wagering Rules and the sports wagering system requirements provided in Section 1900.1450 of the Sports Wagering Rules.

ARTICLE II. FEES

SECTION 1. Section 2-92-640 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

2-92-640 Innovative procurement methods.

(a) ~~The chief procurement officer~~ Chief Procurement Officer may purchase or lease goods, equipment, work and services, or auction or otherwise dispose of ~~city~~ City surplus goods and equipment, and salvage and scrap, using innovative methods of procurement, including but not limited to electronic procurement, reverse auctions, electronic bidding, electronic auctions, procurement cards, and pilot procurement programs that have no cost to the ~~city~~ City. In order to implement innovative methods of procurement, either directly or through a service provider, the ~~chief procurement officer~~ Chief Procurement Officer must make a determination that such process is competitive and in the best interest of the ~~city~~ City.

(b) As an alternative or in addition to directly conducting procurement using innovative methods, the ~~chief procurement officer~~ Chief Procurement Officer may enter into a service contract with a service provider in order for the service provider to conduct reverse auctions, electronic auctions, or provide an on-line or electronic forum for competitive bids, requests for qualifications and proposals and other types of innovative methods of procurement on the ~~city~~ City's behalf. The service contract may contain such terms as the ~~chief procurement officer~~ Chief Procurement Officer deems necessary, including, but not limited to, terms that specify the source and amount of the service provider's compensation. The ~~chief procurement officer~~ Chief Procurement Officer, either directly or through a service provider, is authorized to charge the winning bidder a reasonable service fee in order to cover part or all of the ~~city~~ City's costs associated with the service contract, including the costs of engaging a service provider.

(c) The Chief Procurement Officer may charge buyers of items purchased at an auction authorized by this section a daily storage fee for any items that have not been collected within five business days of the close of the auction. A storage fee of \$50 per day shall be charged if the auction item has a gross weight under 8,000 pounds. A storage fee of \$100 per day shall be charged if the auctioned item has a gross weight of 8,000 pounds or more.

(d) ~~The chief procurement officer~~ Chief Procurement Officer shall have power to adopt rules ~~and regulations~~ for the proper administration and enforcement of ~~the provisions of~~ this section.

~~(d)~~(e) This section is enacted pursuant to the home rule powers of the ~~city~~ City and, to the extent permitted under the home rule powers of the ~~city~~ City, supersedes any inconsistent ~~provision of any law or regulation of the State of Illinois.~~

SECTION 2. Section 4-5-010 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

4-5-010 Establishment of business license fees.

(Omitted text is unaffected by this ordinance)

The fees for business licenses issued pursuant to Title 4, as of January 1, 2026, are as follows:

(Omitted text is unaffected by this ordinance)

(5) Regulated Business License (4-6) – Home Occupations \$500.00

(Omitted text is unaffected by this ordinance)

- (24) Regulated Business License (4-6) – Massage establishment ~~\$550.00~~ \$1,000.00

(Omitted text is unaffected by this ordinance)

- (40) Regulated Business License (4-6) – Pharmaceutical
representative per year ~~\$750.00~~ \$1,000.00

(Omitted text is unaffected by this ordinance)

SECTION 3. Section 9-68-030 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

9-68-030 Loading zones and prohibited parking spaces.

(a) No signage shall be installed by the commissioner upon the request of the owner, agent or lessee of any building or parcel of property for the designation of a loading zone or prohibited parking space, until the owner, agent or lessee has paid to the comptroller the following:

(1) For a loading zone or prohibited parking space located in the central business district: (i) an annual fee of ~~\$500.00~~ for up to 20 linear feet of curb space used, which fee shall include the installation of the signage; (ii) an annual fee of \$50.00 per linear foot of each foot of curb space used in excess of 20 feet; and (iii) any other direct cost incurred by the city for the installation of the signage.

(2) For a loading zone or prohibited parking space located outside of the central business district: (i) an annual fee of ~~\$110.00~~ \$350 for up to 20 linear feet of curb space used, which fee shall include the installation of the signage; (ii) an annual fee of ~~\$50.00~~ per linear foot of each foot of curb space used in excess of 20 feet; and (iii) any other direct cost incurred by the ~~city~~ City for the installation of the signage.

(3) No fee shall be charged for a loading zone or prohibited parking, space in front of any public building including, but not limited to, any Chicago Public School or City College of Chicago.

(Omitted text is not affected by this ordinance)

SECTION 4. Section 10-20-420 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows:

10-20-420 Permit classes and fees.

(a) Permit classes and fees for the establishment and maintenance of driveways under this article, as of January 1, ~~2026~~ 2027, shall be as follows:

<i>Permit Class</i>	<i>Fee per Driveway</i>
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(1) Class A

(i) Residential – not to exceed 4 units	a one-time fee of ~~\$10.00~~ <u>\$50.00</u>
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(Omitted text is not affected by this ordinance)

Beginning January 2027, and each January thereafter, the permit fees set in this subsection (a) ~~for all Class B permits~~ shall automatically be increased in proportion to any increase in the CPI adjustment, as defined in Section 1-4-090, up to 2.5 percent in any one year, or in a lesser amount that the Commissioner determines is supported by the costs associated with administering such permit. After the calculation of fee adjustment by any of these means, the amount shall be rounded to the nearest whole dollar. The Commissioner shall publish such fees on a publicly accessible website.

(Omitted text is not affected by this ordinance)

SECTION 5. Section 18-29-312.9 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by adding the language underscored, and as follows:

18-29-312.9 Cross connection control device inspections program.

(a) The City, acting through the Commissioner of Water Management (the "Commissioner") or the Commissioner's designee and the Department of Water Management (the "Department") or its contractors, and in its role as a community water supply, as defined by 415 ILCS 5/3.145, creates the following cross connection control program to educate and inform those water supply consumers who may be required to install and maintain cross connection control devices regarding prevention of the entry of contaminants into the distribution system.

(b) The City's cross connection control program shall include the following:

(1) For any new service connection, the Department shall evaluate the risk of cross connection whereby an unsafe substance may enter the City's community water supply.

(2) The Department shall conduct a cross connection control survey of the distribution system at least every three years. The survey shall evaluate the risk of an unsafe substance entering the City's community water supply through each service connection to the distribution system of the community water supply. This survey is not required or intended to include an actual visual inspection of piping or plumbing systems. For each completed survey, the Department shall develop an inventory including all elements required under 35 Ill. Adm. Code, Section 604.1505(b)(3), including identification of service connections required to have a backflow preventer installed under 77 Ill. Adm. Code 890.1300.

(c) The erection, installation, alteration, repairs, relocation, replacement, addition to, use, or maintenance of plumbing systems within the City, including all requirements that apply to the installation of plumbing systems, as enforced by the Department, shall abide by all relevant provisions of Chapters 18-29 and 14P-1 of the Code and the Illinois Plumbing Code, 77 Ill. Adm. Code 890.

(d) The Department shall maintain records of all backflow preventers that require annual testing under 77 Ill. Adm. Code 890 and identified under subsection 18-29-312.9(b)(2) of the Code.

(e) The ~~department of water management~~ Department shall require inspection and reporting and registration of such inspections for backflow prevention assemblies to determine proper installation including testing by a licensed Cross Connection Control Device Inspector, with the service connection property owner bearing the cost of the inspection. The Department, or its contractor, is authorized to collect an associated annual registration fee not to exceed \$41.56 for each inspected backflow prevention assembly to compensate for the cost of recording and reporting inspection and compliance information. Beginning January 2028, and each January thereafter, the annual registration fees for each backflow prevention assembly set in this subsection (e) shall automatically be increased in proportion to any increase in the CPI adjustment, as defined in Section 1-4-090 of the Code, up to 2.5 percent in any one year, or in a

lesser amount that the Commissioner determines is supported by the costs associated with administering such registration. Reduced pressure principle backflow preventer assemblies, double check-valve assemblies, double-detector check-valve assemblies and pressure vacuum breaker assemblies shall be tested at minimum, annually, the results of annual tests shall be reported within 30 days of tests to the department of water management. In the event of test failure, immediate notification ~~must~~ shall be made to the ~~department~~ Department of water management and remedial action taken to prevent the contamination of the potable water supply. The testing procedure shall be performed in accordance with one of the following standards:

(Omitted text is unaffected by this ordinance)

SECTION 6. An ordinance referenced as O2024-0007317, passed by the City Council of the City of Chicago on February 21, 2024, published on pages 9658 through 9666 of the Journal of the Proceedings of the City Council of the City of Chicago for that date, is hereby amended by deleting the language struck through, and by adding the language underscored, as follows:

(Omitted text is unaffected by this ordinance)

SECTION 5. (a) DCASE is authorized to impose an application ~~fees~~ fee, ~~and/or a~~ registration ~~fees~~ fee, or both, in connection with certain Events, as follows: (i) ~~Online~~ online talent submissions to perform at Events – a fee of not more than ~~Ten Dollars~~ ten dollars (\$10.00); and (ii) any other Event where, based on the location of the Event, the estimated number of participants in the Event, the duration of the Event or any other relevant factor set forth in duly promulgated rules, DCASE determines that an application fee, ~~and/or a~~ registration fee, or both, is required for such Event. Provided, however, that if an application fee, ~~and/or a~~ registration fee, or both, is assessed under this item (ii), such fee shall not exceed ~~One Hundred Dollars~~ two hundred dollars (~~\$400.00~~ 200.00) and shall be reasonably related to the costs incurred by DCASE in connection with the administration of such Event. Any balance remaining from the application ~~fees~~ fee, ~~and/or the~~ registration ~~fees~~ fee, or both, after payment of the costs of the respective Event must be applied to the costs incurred by the City with respect to various other Events.

(b) DCASE is authorized to sell tickets for admittance to events that take place at venues where DCASE events are held. The number of tickets sold shall not exceed ~~25~~ fifty percent (~~25~~ 50%) of the total capacity of the venue; ~~75~~ fifty percent (~~75~~ 50%) of the venue shall remain free of charge. The average cost per ticket sold to these concerts shall not exceed ~~Twenty-Five Dollars~~ fifty dollars (~~\$25.00~~ 50.00) and the cost of no ticket shall exceed ~~One Hundred Dollars~~ two hundred dollars (~~\$400.00~~ 200.00). Such tickets shall include admittance to special limited access events that occur during Taste of Chicago, and events held at food or beverage specialty pavilions during DCASE events. Any balance remaining from the sale of tickets after payment of the costs of the event shall be applied to the costs incurred by the City with respect to various other Events. Notwithstanding Section 18, the Commissioner is authorized to enter into and

execute agreements with one or more entities to provide ticket selling services for the tickets referenced in this subsection, provided that the duration of any such agreement shall not exceed two years.

SECTION 6. DCASE must impose a service charge of ~~Three Dollars~~ three dollars (\$3.00) on the purchase of each strip, sheet or other group of fourteen (14) coupons redeemable for food and beverage at Taste of Chicago. DCASE may also sell coupons in electronic and other formats and at quantities greater or less than fourteen (14). The service charge for an individual coupon must not be greater than ~~one-fourteenth 1/14~~ (1/14) of ~~Three Dollars~~ three dollars (\$3.00). The service charge will be applied to the City's costs for these Events, which include, without limitation: security, entertainment, programming, production and marketing, maintenance operation, restroom facilities, inclusion of dining areas and picnic tables, and public relations efforts regionally, nationally and internationally. Any balance remaining from the service charge revenues after payment of these costs must be applied to the costs incurred by the City with respect to various other Events.

(Omitted text is unaffected by this ordinance)

ARTICLE III. PUBLIC PASSENGER VEHICLES

SECTION 1. Section 4-68-060 of the Municipal Code of Chicago is hereby amended by deleting the language struck-through by adding the language underscored, as follows:

4-68-060 Inspection authority and standards.

(a) Each licensed ambulance, its equipment, the premises designated in the application for its operation and maintenance, and all records relating to its maintenance, personnel and operation shall be made available for inspection by the ~~departments~~ Department of health Health, fire the Fire Department, and business affairs and consumer protection the Department of Business Affairs and Consumer Protection at all times during business hours of the day.

(b) No licensee shall allow any vehicle to be used as an ambulance unless such vehicle is inspected at time periods determined by rule promulgated by the Commissioner and according to standards approved by the Commissioner, and has passed such inspection. An ambulance inspection shall include, but is not limited to, ensuring that all required equipment is installed and operating as intended, and that the interior and exterior of the vehicle are clean and in good condition for the safety of the vehicle drivers and passengers. The Commissioner may determine, by rule, that an ambulance inspection by a government agency authorized to undertake such inspections to be sufficient to meet the inspection requirement of this section.

(c) Ambulance vehicles with a vehicle age, as defined in Section 9-112-010 of the Code, of three years or older must be inspected annually.

(d) If a vehicle fails or misses an inspection required by this section, the licensee shall pay a re-inspection fee of \$100.

SECTION 2. Section 9-112-060 of the Municipal Code of Chicago is hereby amended by deleting the language struck-through, and by adding the language underscored, as follows:

9-112-060 Failed vehicle inspections.

If a vehicle fails or misses an inspection required by Section 9-112-050 of this Code, the licensee shall pay a re-inspection fee of ~~\$75.00~~ 100.

SECTION 3. Section 9-114-155 of the Municipal Code of Chicago is hereby amended by adding the language underscored, as follows:

9-114-155 Public passenger vehicle inspection.

(a) No licensee shall allow any vehicle to be used as a public passenger vehicle unless such vehicle is inspected at time periods determined by rule promulgated by the Commissioner and according to standards approved by the Commissioner, and has passed such inspection. A public passenger vehicle inspection shall include, but is not limited to, ensuring that all required equipment is installed and operating as intended, and that the interior and exterior of the vehicle are clean and in good condition for the safety of the vehicle drivers and passengers. The Commissioner may determine, by rule, that a public passenger vehicle inspection by a government agency authorized to undertake such inspections to be sufficient to meet the inspection requirement of this section.

(b) Livery vehicles with a vehicle age, as defined in Section 9-112-010 of the Code, of four years or older must be inspected annually.

(c) If a vehicle fails or misses an inspection required this section, the licensee shall pay a re-inspection fee of \$100.

SECTION 4. Section 9-115-130 of the Municipal Code of Chicago is hereby amended by adding the language underscored, as follows:

9-115-130 Transportation network vehicles – Commercial advertisements.

(omitted text is unaffected by this ordinance)

(d) When the Commissioner has approved any type of advertising display device that involves the installation of a physical apparatus on or in the transportation network vehicle, an inspection is required as part of the advertising permitting process. The fee for such inspection shall be an additional \$100.00, due prior to the inspection. If a vehicle fails or misses an inspection required by this section, the licensee shall pay a re-inspection fee of \$100.

(omitted text is unaffected by this ordinance)

SECTION 5. Section 9-115-140 of the Municipal Code of Chicago is hereby by adding the language underscored, as follows:

9-115-140 Transportation network service – Accessibility and accessibility fund.

(omitted text is unaffected by this ordinance)

(d) In addition to the inspection requirements specified in Section 9-115-110, wheelchair-accessible vehicles shall be inspected by the city for compliance with legally required safety standards before such vehicles are used as wheelchair-accessible transportation network vehicles. If a vehicle fails or misses an inspection required by this section, the licensee shall pay a re-inspection fee of \$100.

(omitted text is unaffected by this ordinance)

ARTICLE IV. EXEMPTIONS

SECTION 1. Section 3-32-050 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by adding the language underscored, as follows:

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

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)

(13) In accordance with the terms of this subsection, and pursuant to procedures to be established by the comptroller, the nonpossessory lease of a computer, where the lessor or lessee is a small new business, as the term "small new business" is defined in this subsection.

(a) For purposes of this subsection, the term "small new business" shall mean a business that (i) holds a valid and current business license issued by the City or another jurisdiction, (ii) during the most recent full calendar year prior to the annual tax year for which the exemption provided by this subsection is sought had under ~~\$25~~ \$4 million in gross receipts or sales, as the term "gross receipts or sales" is defined for federal income tax purposes, and (iii) has been in operation for fewer than ~~60~~ 36 months. For the purpose of calculating the ~~\$25~~ \$4 million limit, gross receipts or sales will be combined if they are received by members of a single unitary business group. For purposes of this subsection, the term "unitary business group" is as defined for Illinois income tax purposes. For the purpose of calculating the ~~60~~ 36 month limit, time in operation will be deemed to have begun during the first calendar month in which the business seeking the exemption first received any gross receipts or sales. Also for the purpose of calculating the ~~60~~ 36 month limit, time in operation will include any earlier time during which any of the following businesses were in operation (i) another existing business, if that business is a member of the same unitary business group as the business seeking the exemption, (ii) a business that is no longer in operation, but that would be a member of the same unitary business group as the business seeking the exemption, if it were still in operation; (iii) a business whose liabilities would be liabilities of the business seeking the exemption, pursuant to Illinois law concerning successor liability; or (iv) any other business that is reasonably determined by the Comptroller to be substantially similar or a predecessor to the one seeking the exemption, based on factors including, but not limited to, common ownership, management, employees, assets, line of business and location.

(omitted text is unaffected by this ordinance)

SECTION 2. Section 4-156-020 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by adding the language underscored, as follows:

4-156-020 Tax imposed.

A. Except as otherwise provided by this Article, an amusement tax is imposed upon the patrons of every amusement within the City. Except as otherwise provided in this subsection (A)(2) or unless subsection J of this section provides for a lower rate: (-1) the rate of the tax shall be equal to nine percent of the admission fees or other charges paid for the privilege to enter, to witness, to view or to participate in such amusement; (2) in the case of paid television and amusements that are delivered electronically, such as video streaming, audio streaming and on-line games, the rate of the tax shall be equal to ten and twenty-five hundredths (10.25) percent of the charges paid for the privilege to view or to participate in such amusement.

(omitted text is unaffected by this ordinance)

C. Every person claiming an exemption from the amusement tax under subsection (B) of this Section 4-156-020 shall: (1) retain, for at least five years, books, records, and other documentary evidence that demonstrates an exemption applies, and (2) present such documentary evidence to the Department of Finance upon request.

~~(1) — None of the exemptions contained in subsection B(5) of this section shall apply to a person or privilege unless a written notice of the amusement is filed with the department of finance at least 30 calendar days prior to the amusement or 15 calendar days prior to the date that admission tickets to the amusement are first made available for sale, whichever is earlier. The notice shall be on a form prescribed by the comptroller, and shall contain all information and materials necessary to permit the department of finance to consider whether the exemption claimed by the applicant is applicable. For the exemptions contained in subsections B(5)(a) through (f), the notice shall contain information and materials necessary to demonstrate that the proceeds intended to inure exclusively to the benefit of the exempt entity or entities are reasonably anticipated to equal at least 10 percent of the gross revenues from the amusement.~~

~~(2) — Upon the request of the person filing the notice, the department of finance shall indicate within 14 calendar days after receiving the notice whether the claimed exemption does or does not apply, or whether additional information is necessary to make a determination.~~

(omitted text is unaffected by this ordinance)

ARTICLE V. MISCELLANEOUS

SECTION 1. Section 4-156-020 of the Municipal Code of Chicago is hereby amended by deleting the language struck through, and by adding the language underscored, as follows:

9-100-020 Violation – Penalty.

(a) The violation of any provision of the traffic code prohibiting or restricting vehicular standing or parking, or establishing a compliance, automated speed enforcement system, or automated traffic law enforcement system violation, shall be a civil offense punishable by fine, and no criminal penalty, or civil sanction other than that prescribed in the traffic code, shall be imposed.

(b) The fines listed below shall be imposed for a violation of the following sections of the traffic code:

(omitted text is unaffected by this ordinance)

9-64-170(a) and (b)	~~\$75.00, if the vehicle has a gross vehicle weight rating of less than 8,000 pounds;~~ ~~\$125.00, if the vehicle has a gross vehicle weight rating of 8,000 pounds or more~~ <u>\$250</u>
9-64-170(b)	~~\$75.00, if the vehicle has a gross vehicle weight rating of less than 8,000 pounds;~~ ~~\$125.00, if the vehicle has a gross vehicle weight rating of 8,000 pounds or more~~

(omitted text is unaffected by this ordinance)

ARTICLE VI. VEHICLE VIOLATION DEBT RELIEF

SECTION 1. *Title.* This article may be cited as the "Vehicle Violation Debt Relief Ordinance of 2027."

SECTION 2. *Definitions.* In this ordinance:

"Administrator" means the City's Traffic Compliance Administrator.

"Base fine amount" means a fine amount assessed for a violation without including penalties for late payment, administrative or court costs, interest, or other fees associated with the underlying eligible vehicle violation.

"City" means the City of Chicago, Illinois.

"Code" means the Municipal Code of Chicago.

"Collection costs" means the expenses and time incurred by the City or its agents to collect any debt.

"Debtor" means any natural individual, firm, trust, partnership, association, joint venture, corporation, or other legal entity, with an unpaid balance to the City on at least one eligible vehicle violation.

"Debt Relief Period" means the period from May 3, 2027, up to and including August 31, 2027.

"Department" means the Department of Finance of the City.

"Eligible vehicle violation" means a parking, standing, compliance, automated speed enforcement system, or automated traffic law enforcement system violation for which a notice of final determination has been issued and a fine imposed on or before December 31, 2024, by the

Department or the Department of Administrative Hearings. The term "eligible vehicle violation" does not include: (1) any violation of Section 9-64-190; or (2) any violation for which the City has commenced a case in a court or administrative proceedings for the collection of the debt.

"Eligible participant" means any debtor to the City: (1) with an unpaid base fine amount associated with an eligible vehicle violation, and (2) who does not own a vehicle that has been impounded by the City that cannot be released during the debt relief period due to an ongoing official investigation or that requires a court order for release.

"Impounded vehicle release fees" means the towing, storage, boot, vehicle immobilization device tampering fee pursuant to Section 9-100-120(h), and returned check fees associated with the release of an impounded vehicle to a debtor otherwise eligible to participate in the program.

"Ineligible fees" means: (1) impounded vehicle release fees in all situations except those associated with eligible vehicle violations in which the impounded vehicle has been disposed of in accordance with applicable law; and (2) base fine amounts or associated additional penalties resulting from a violation of Section 9-64-190.

"Relief-eligible debt" means: (1) additional penalties, fines, interest, and fees associated with an eligible vehicle violation; (2) attorney's fees or collection costs charged pursuant to Section 1-19-020 or Section 1-19-030 associated with an eligible vehicle violation; and (3) outstanding impounded vehicle release fees associated with an eligible vehicle violation in which the impounded vehicle has been disposed of in accordance with applicable law. The term "relief-eligible debt" does not include ineligible fees associated with an eligible vehicle violation.

SECTION 3. *Administrative Rules.* The Administrator shall establish a debt relief program pursuant to this ordinance. The Administrator may promulgate rules for the proper administration and enforcement of this article.

SECTION 4. *Program Requirements:*

(a) Only eligible participants shall be permitted to participate in the program under this article.

(b) Eligible participants paying fines for an eligible vehicle violation pursuant to a payment plan under Section 9-100-160 must pay the full base fine amount for any given eligible vehicle violation during the debt relief period, notwithstanding the length of the payment plan, to receive a waiver under subsection (c).

(c) Whenever an eligible participant voluntarily pays the base fine amount for any eligible violation or fee during the debt relief period the Department shall waive all relief-eligible debt for that violation. Ineligible fees shall not be waived.

SECTION 5. *Debtor's responsibilities.* Relief under this article shall be granted only if all of the applicable relief conditions set forth in this ordinance are satisfied by the debtor. In no event shall any relief granted entitle a debtor to a refund for any amounts paid prior to the debt

relief period. It is the debtor's responsibility to identify all relief-eligible debt for which relief is sought.

SECTION 6. *Ineligibility due to alleged fraud concerning debt to City.* Relief under this program shall not be available to any person who is a party to any criminal investigation or to any civil or criminal litigation which is pending in any circuit court, appellate court or the Supreme Court of the State of Illinois, or the Department of Administrative Hearings, concerning fraudulent conduct in relation to any debt owed to the City.

ARTICLE VII. EMPLOYERS' EXPENSE TAX AND SEED CREDIT

SECTION 1. Title 3 of the Municipal Code of Chicago is hereby amended adding a new Chapter 3-20 as follows:

3-20-010 Title.

This chapter shall be known and cited as the "Chicago Employers' Expense Tax Ordinance" and the tax herein imposed shall be known and cited as the "Chicago Employers' Expense Tax".

3-20-020 Definitions and construction.

For the purposes of this chapter, when any of the following words or terms are used, they shall have the meaning and construction ascribed to them in this section:

A. "Association" means a partnership, limited partnership, or any other form of unincorporated business, syndicate, or enterprise, owned by two or more persons.

B. "Business" means any activity, enterprise, profession, trade, or undertaking of any nature conducted or engaged in, or ordinarily conducted or engaged in, with the object of gain, benefit, or advantages, whether direct or indirect, to the employer or to another or others. The term shall include entities which are subsidiary or independent, conducting operations for the benefit of others and at no benefit to themselves, nonprofit businesses, and trade associations.

C. "Commission merchant" means as follows:

1. The term "commission merchant" means a person who, for compensation in the form of a commission, or partly commission and partly salary, engages in buying and selling activities, including the solicitation or negotiation of a sale or service requirement, or the forwarding or accepting of sales or service orders, which lead to the sale of services or of goods, wares, commodities, merchandise, shares of stock, and insurance policies owned or authorized by some person other than the commission merchant. The term "commission merchant" shall include agents or employees who receive compensation in such form for such activities.

2. For the purpose of this chapter, the term "commission merchant" shall mean only those individuals who earn or to whom are owed commissions, or salaries and commissions together, of at least \$4,300 in any calendar quarter, from the same employer who is subject to the tax imposed by this chapter.

3. The business of a commission merchant shall be deemed to include the buying and selling of services, goods, wares, commodities, merchandise, shares of stock, and

insurance policies by a person to the extent that the person for himself (a) does not engage on a continuing basis in the business of servicing, manufacturing, refining, fabricating, milling, treating, or other processing of the goods, wares, commodities, merchandise, shares of stock, and insurance policies bought and sold and does not cause goods, wares, commodities, or merchandise to be manufactured, refined, fabricated, milled, treated, or otherwise processed on a continuing basis; (b) does not obtain or retain title to goods, wares, commodities, merchandise, or shares of stock except in one or more of the following situations: while such may be in transit, or for short periods of time before transportation commences or after it ceases; and (c) does not store or warehouse such goods, wares, commodities, or merchandise except during one or more of the following situations: while such goods, wares, commodities, or merchandise are actually in transit or for short periods of time before transportation commences or after it ceases.

D. "Department" means the Department of Finance of the City.

E. "Employee" means and includes any individual permitted to work for remuneration by any employer in any activity, enterprise, profession, trade, or undertaking, of any nature conducted or engaged in, or ordinarily conducted or engaged in, with the object of gain, benefit, or advantages, whether direct or indirect, to the taxpayer or to another or others. For purposes of this chapter, said term excludes any individual performing:

1. Agricultural labor, as that term is defined in Section 214 of the Illinois Unemployment Insurance Act;
2. Domestic service solely on a daily basis in a private home;
3. Newspaper carrier delivery or distribution service when the individual is under the age of 18 years;
4. Services in the employ of any organization described in Sections 501(c), 501(d), or 401(c) of Title 26 of the United States Code, as qualified by Sections 502 and 503 of said Title 26, unless such organization normally, annually, receives unrelated business income in excess of 50 percent of its total income. For purposes of this ordinance, unrelated business income shall have the meaning set forth in Sections 511, 512, 513, 514, and 515 of Title 26 of the United States Code;
5. Services in the employ of one's father, mother, son, daughter, or spouse;
6. Services in the employ of any governmental unit, including federal, state, or local political subdivisions;

F. "Full-time employee" means an individual who earns or to whom are accrued wages from employment of at least \$4,300 in any calendar quarter of a year from or for the same employer who is subject to the tax imposed by this chapter.

G. "Employer" means any person that employs one or more employees performing services in whole or in part within the City. An employer is subject to the tax imposed by this chapter for any full calendar quarter during which it employs 125 or more full-time employees, or commission merchants, or any combination thereof.

H. "Individual" means a natural person, a human being, as distinguished from an artificial person such as a corporation or political subdivision.

3-20-030 Employers' expense tax.

A. A tax is hereby imposed upon every employer who, in connection with the employer's business, engages, hires, employs, or contracts with 125 or more individuals as commission merchants and full-time employees, or any combination thereof, to perform work or render services in whole or in part within the City. Beginning January 1, 2027, the amount of the tax shall be \$25 per month for each commission merchant and full-time employee to whom commission or employment compensation is paid or to whom such commission or compensation has accrued. The incidence of this tax shall be upon the employer alone as an

employer's expense tax and shall not be transferred directly or indirectly to the commission merchant or full-time employee under any circumstances.

B. Such tax shall be levied only upon the number of those commission merchants or employees whose work or service is performed within the City, or if partly within and partly without the City, the numbers of those individuals who perform 50 percent or more of their work or service per calendar quarter within the City.

C. If it is impractical to apportion such work or service aforesaid either because of the peculiar nature thereof or on account of unusual bases of compensation, or for any other similar reason, then the numbers of such individuals attributable to work performed or services rendered in the City shall be determined in accordance with rules adopted by the Comptroller for this purpose, and in furtherance of the purposes of this ordinance. If the Comptroller determines that the percentage of work attributable to the City for any one or more employers is a relatively stable percentage, then the Comptroller is hereby authorized to establish that percentage as a prima facie percentage of work attributable to the City; provided, however, that the Comptroller shall condition the establishment of such fixed percentage upon the obligation of the employer to report immediately to the Comptroller any significant change in his mode of business which might or will have some effect upon the portion of work performed or service attributable to the City.

D. The tax is due for each calendar quarter the employer has 125 or more full-time employees or commission merchants, or combination thereof, at any time during such quarter except that for any month within such quarter the employer's number of full-time employees or commission merchants, or combination thereof, falls below 125 then no tax shall be due for that month.

3-20-040 Residence of taxpayer.

This tax shall apply only to employers doing business within the City. An employer does business within the City, for the purposes of this chapter, if he engages, hires, employs, or contracts with one or more individuals, as commission merchants or full-time employees, to perform work or render services in whole or in part within the City and fulfills one or more of the following criteria: (a) such employer maintains a fixed place of business within the City, or (b) a commission merchant or employee of said employer maintains a fixed place of business within the City for the benefit or partial benefit of such employer, or (c) such employer or his commission merchant or employee owns or leases real property within the City for business purposes, or (d) such employer or his commission merchant or employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business, or (e) such employer employs or otherwise uses real or personal property within the City, or (f) such employer or his commission merchant or employee conducts continuous solicitation of business within the City.

3-20-050 Payments, returns and extensions of time.

A. The taxes herein imposed shall become due and payable for the preceding calendar quarter on the fifteenth day of the month following said calendar quarter and shall be considered delinquent if not paid on or before such date. Each employer subject to the tax herein imposed shall execute and file an employers' expense tax return, on forms prepared for that purpose by the Department, concurrently with the payment of taxes imposed herein.

B. Each employer in the City, whether subject to the tax herein imposed or not, shall prepare and maintain at some accessible place within the City permanent, just and accurate books, papers, and records setting forth the name and address of each commission merchant or employee performing work or rendering services in whole or in part for said employer in the City, designating that portion of the work for each such commission merchant or employee attributable to the City, plus the aggregate number of all such individuals whose work or service

is attributable to the City, and such other and further pertinent information as the Comptroller may require in furtherance of the purposes of this ordinance.

C. Notwithstanding any other provision of this chapter, for all periods beginning on or after January 1, 2027, (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, and 3-4-189 shall control over any contrary provisions in this chapter regarding the subjects covered by those sections.

3-20-070 Duties of Department and Comptroller.

It shall be the duty of the Department to collect and receive the tax imposed by this ordinance. The Department shall keep an accurate and separate account of all such tax payments received by it showing the name and address of the taxpayer and the date of each payment. The Comptroller is hereby empowered to adopt and promulgate, and to enforce, rules relating to any matter or thing pertaining to the administration and enforcement of the provisions of this ordinance, including provisions for reexamination, correction, and amendment of all returns. The Comptroller, or any agent or employee designated in writing by him, is hereby authorized to examine the books, papers, and records of any employer or alleged employer during regular business hours, in order to verify the accuracy of any return made, or if no return was made, to ascertain the tax imposed by this ordinance.

3-20-080 Registration.

A. Every employer subject to the tax imposed by this chapter shall, within ten days after he commences business within the City, file in the office of the Department a certificate setting forth the name under which such business is, or is to be, conducted or transacted and the full name or names and address or addresses of the individual or individuals conducting or transacting the same, unless the party so certified is a corporation or trustee, in which event it shall set forth its said principal office or place of business and when and where incorporated or organized. Said certificate shall be executed and duly acknowledged by the person or persons so conducting or intending to conduct said business or by the president or secretary of the corporation, as the case may be.

B. In the event of a change in the identity of an employer, or termination of his operations, a similar certificate setting forth the facts with respect to such change or termination shall be filed in the office of the Department within ten days thereafter.

3-20-110 Corporate fund.

All proceeds resulting from the imposition of the tax under this chapter, including penalties, shall be paid into the treasury of the City and shall be credited to and deposited in the corporate fund of the city.

3-20-130 Severability.

If any provision, clause, sentence, paragraph, section, or part of this chapter, or application thereof to any person, or circumstance, shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this chapter and the application of such provision to other persons, firms, corporations, public agencies, or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person, firm, corporation, public agency, or circumstances involved. It is hereby declared to be the legislative

intent of the city council that this chapter would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not been included.

3-20-140 Application of uniform revenue procedures ordinance.

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 the Municipal Code of Chicago, as amended, shall apply and supplement this chapter.

SECTION 2. Title 3 of the Municipal Code of Chicago is hereby amended by adding a new Chapter 3-22, as follows:

3-22-010 Title.

This chapter shall be known and may cited as the SEDA Employment Expansion and Development (“SEED”) credit.

3-22-020 Purpose.

The purpose of the SEDA Employment Expansion and Development tax credit is to support businesses and job development and retention in socio-economically disadvantaged areas throughout the City.

3-22-030 Definitions.

“Applicant” means a person who: (1) is an employer as defined in this section; (2) operates in one or more SEDA-based locations; and 3) wishes to apply for the SEED credit according to the criteria of this chapter.

“Business” has the meaning ascribed to that term in Section 3-20-020 of this Code.

“Chicago Employers’ Expense Tax” or “EET” means that tax imposed by Chapter 3-20 of this Code.

“Commission merchant” has the meaning ascribed to that term in Section 3-20-020 of this Code.

“Comptroller” means the Comptroller of the City.

“Credit” means a non-refundable tax credit against EET tax liabilities in an amount specified in this chapter.

“Department” means the Department of Finance of the City.

“Employee” has the meaning ascribed to that term in Section 3-20-020 of this Code.

“Employer” has the meaning ascribed to that term in Section 3-20-020 of this Code.

“Full-time employee” has the meaning ascribed to that term in Section 3-20-020 of this Code.

“Individual” has the meaning ascribed to that term in Section 3-20-020 of the Code.

“SEDA-based location” means an employer’s place of business or work which is located in a SEDA, designated as such for the time period in which the tax credit is being claimed, regardless of whether the location is a primary location for the employer’s business or is open to members of the public, at which the employer requires one or more employees or commission merchants to be physically present for at least a majority of their work or service hours in a given calendar month.

“Socio-economically disadvantaged area” or “SEDA” means a census tract designated by rules promulgated by the Commissioner of Planning and Development, as authorized in Section 2-92-390 of this Code.

3-22-040 Eligibility for SEED credit.

To be eligible for the SEED tax credit for any given month, an applicant shall meet all of the following criteria:

- (a) For any given calendar quarter, be an employer subject to the tax imposed by Chapter 3-20 of this Code.
- (b) The employer, in connection with the employer's business, engages, hires, employs, or contracts with any number of individuals as full-time employees or commission merchants, who perform their duties at one or more of the applicant's SEDA-based locations for the majority of scheduled work hours in any given calendar month.
- (c) The employer must have tax liability under Chapter 3-20 of the Code for the same calendar month in which it is claiming SEED credit associated with the same employees for which it is claiming SEED credit.

3-22-050 SEED credit—amount and criteria.

- (a) An employer is entitled to a tax credit of \$25 per calendar month per full-time employee or commission merchant it has engaged, hired, employed, or contracted, in connection with the taxpayer's business, working a majority of their work or service hours in a SEDA-based location as provided in subsection 3-22-040(b) of this chapter.
- (b) If it is impractical to apportion such work or service aforesaid either because of the peculiar nature thereof or on account of unusual bases of compensation, or for any other similar reason, then the numbers of such individuals attributable to work performed or services rendered at a SEDA-based location shall be determined in accordance with rules adopted by the Comptroller for this purpose, and in furtherance of the purposes of this ordinance. If the Comptroller determines that the percentage of work attributable to a SEDA-based location for any one or more employers is a relatively stable percentage, then the Comptroller is hereby authorized to establish that percentage as a prima facie percentage of work attributable to a SEDA-based location; provided, however, that the Comptroller shall condition the establishment of such fixed percentage upon the obligation of the employer to report immediately to the Comptroller any significant change in its mode of business which might or will have some effect upon the portion of work performed or service attributable to a SEDA-based location.
- (c) The SEED credit shall only apply to employers with tax liability under the EET, as provided in Chapter 3-20 of the Code. The SEED credit shall be applied as a credit against only the amount an employer would otherwise owe through tax liability under the EET.
- (d) If the SEDA census tract designations are updated at any point through a new rule promulgation by the Commissioner of Planning and Development, then for purposes of identifying qualified SEDA-based locations for the SEED credit, the updated designations shall only go into effect at the beginning of the following calendar quarter.

3-22-060 Application; tax return.

- (a) Application for the tax credit eligibility as well as any related reports shall be on a form provided by the Department.
- (b) Tax credit under SEED shall be provided on the same schedule as tax liability, returns, and remittance of the tax provided under Chapter 3-20 of the Code. SEED credit shall only be applied for calendar months in which the employer has tax liability under Chapter 3-20 of the Code.
- (c) It is the employer's sole responsibility to determine if the employer is eligible for tax credit under this chapter and to apply for the potential credit.
- (d) Any employer claiming tax credit under the SEED credit must provide all documentation required by the application for this program and any documentation reasonably requested by Department for the purpose of administering the program.

3-22-070 Duties and authorities of the Department and the Comptroller.

(a) The Department shall review applications for and appropriately provide tax credit as provided by this chapter. The Department shall keep an accurate and separate account of all such tax credits it awards, showing the name and address of the employer and the date of each payment.

(b) The Comptroller has authority to adopt and promulgate, and to enforce, rules pertaining to the administration and enforcement of this chapter.

(c) The Comptroller or the Comptroller's designee may examine the books, papers and records of any employer or alleged employer during regular business hours, in order to verify the accuracy of any application for credits made under this chapter.

3-22-080 Application of Uniform Revenue Procedures Ordinance.

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 and supplement this chapter.

ARTICLE VIII. PROPERTY TAX INCREASE SUSPENDER

The annual increase in the property tax levy equal to the lesser of the most recently reported annual increase in the Consumer Price Index or five percent established by Section 3-92-075 of the Municipal Code of Chicago is hereby suspended for fiscal year 2027.

ARTICLE IX. SEVERABILITY AND SUPERSEDER

SECTION 1. 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 2. In the event of a conflict or inconsistency between this ordinance and any other ordinance, resolution, motion, or order, this ordinance shall prevail.

ARTICLE X. EFFECTIVE DATES

SECTION 1. Following passage and approval, this ordinance shall be effective January 1, 2027.