

CITY COUNCIL

SEPTEMBER 18, 2024

COMMITTEE ON FINANCE

ORDINANCE

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

SECTION 1. Chapter 4-236 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

CHAPTER 4-236 PARKING LOT AND GARAGE OPERATIONS TAX

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:

"Booking intermediary" means any person that facilitates the processing and fulfillment of transactions to reserve parking spaces between an operator and a recipient.

"Booking service fee" means a separately stated fee charged directly to a recipient by a booking intermediary for facilitating the processing and fulfillment of a transaction to reserve a parking space between an operator and such recipient and that is retained by such booking intermediary.

"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. The term "charge or fee paid for parking" includes any and all charges that the recipient pays incidental to obtaining the use or privilege of parking, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, overtime fees and other such charges, regardless of terminology, other than booking service fees. The term "charge or fee paid for parking" does not include: (i) 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; (ii) separately stated optional charges not for the use or privilege of parking; or (iii) booking service fees. The fact that the recipient could have avoided the charge or fee by obtaining the use or privilege from or through a different operator, pursuant to different terms, or through a course of performance that would have avoided the obligation to pay the charge or fee, does not make the charge or fee "optional".

"Department" means the Department of Finance.

"Motor vehicle" means any vehicle which is self-propelled.

"Operator" means any person who conducts the operation of a parking lot or garage, as defined by this chapter, or who, directly or through an agreement or arrangement with another party, collects the consideration for parking or storage of motor vehicles at such parking place. This includes but is not limited to any reseller that collects from the recipient the charge or fee paid for parking. The term does not include banks, credit card companies, payment processors, booking intermediaries, or other persons whose involvement is limited to performing functions similar to those performed by such entities.

"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 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.

"Person" means any natural person, trustee, court-appointed representative, syndicate, association, partnership, limited liability company, firm, club, company, corporation, business trust, institution, agency, government corporation, municipal corporation, district or other political subdivision, or any other entity recognized by law as the subject of rights and duties.

"Recipient" means a person who seeks the privilege of occupying space in or upon a parking lot or garage.

"Registered operator" means any operator that is registered as a tax collector under this chapter, as evidenced by a certificate issued by the Department, or as otherwise confirmed by the Department.

"Unregistered operator" means any operator that is not a registered operator.

4-236-020 Tax imposed.

(a) Except as otherwise provided by this Section 4-236-020, there is imposed upon the use and privilege of parking a motor vehicle in or upon any parking lot or garage in the City of Chicago a tax at the applicable rate set forth in subsection (d).

(b) The ultimate incidence of and liability for payment of the tax is on the recipient.

(c) The tax imposed by this chapter shall not apply to: (i) residential off-street parking of house or apartment tenants or condominiums, 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; (ii) parking by hospital employees on or in a parking lot or garage that is owned or operated by the hospital for which they work; (iii) parking on or in a parking lot or garage where three or fewer motor vehicles are stored, housed or parked for hire, charge, fee or other valuable consideration, if the operator of the parking lot or garage does not act as the operator of more than a total of three parking spaces located in the City of Chicago; provided, however, that this exemption (iii) shall not apply if: (A) any operator of the lot or garage, including any reseller acts as an operator of more than three parking spaces in total that are located in the City of Chicago; or (B) a booking intermediary facilitates the processing and fulfillment of a transaction for a parking space located in the City of Chicago between a recipient

and an operator that does not act as an operator of more than three parking spaces in total that are located in the City of Chicago.

(d) (i) The tax imposed by this chapter shall not apply to parking in a lot or garage that is owned or operated by the Chicago Transit Authority, the Chicago Park District or other governmental body 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.

(ii) The tax imposed by this chapter for the privilege of parking for a 24-hour period or less shall be 20% of the charge or fee paid for parking on a Saturday or Sunday; and 22% 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% 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% of the charge or fee paid for parking.

(v) The tax imposed by this chapter for any booking service fee shall be as set forth in subsections (d)(ii) – (iv), as applicable.

(vi) 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.

(e) The tax imposed by this chapter shall be paid in addition to any and all other taxes. It Subject to subsection (f), it shall be the duty of the operator of every parking lot or garage to secure the tax from the recipient of the parking privilege and to remit the tax to the Department under procedures prescribed by the Comptroller or as otherwise provided in this chapter.

(f) Notwithstanding anything in this chapter to the contrary:

(i) If a booking intermediary facilitates the processing and fulfillment of a transaction between a recipient and an unregistered operator, all taxes imposed under this chapter shall be collected and remitted to the Department by the booking intermediary on behalf of the unregistered operator; provided, however, that the booking intermediary and unregistered operator shall be jointly and severally liable for payment of the tax to the Department.

(ii) If a booking intermediary facilitates the processing and fulfillment of a transaction between a recipient and a registered operator, the tax on the charge or fee paid for parking shall be collected and remitted to the Department by the registered operator, who shall be solely liable for payment of the tax to the Department, without any deduction for any fee or commission charged by a booking intermediary to an operator.

(iii) If a booking intermediary charges a booking service fee, the tax on such booking service fee shall be collected and remitted to the Department by such booking intermediary.

(g) Every person required to collect the tax imposed by this chapter shall secure the tax from the recipient at the time the price, charge or rent to which it applies is collected. If the recipient is given any invoice, receipt or other statement of the price, charge or rent paid or payable, the tax shall be stated, charged and shown separately on the document.

(h) An operator or booking intermediary that has paid or remitted the tax imposed by this section to another operator or booking intermediary in connection with the same parking transaction, or the use of the same parking space, that is subject to tax under this chapter, shall be entitled to a credit for such tax paid or remitted against the amount of tax owed under this section, provided that the other operator or booking intermediary is registered as a tax collector under this chapter, as evidenced by a certificate issued by the Department, or as otherwise confirmed by the Department. The operator or booking intermediary claiming the credit shall have the burden of proving its entitlement to this credit with books, records and other documentary evidence.

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 and subject to subsection D of this section, 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 to an operator in connection with the same transactions or the use of the same parking spaces, 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, provided that the operator is registered as a tax collector under this chapter, as evidenced by a certificate issued by the Department, or as otherwise confirmed by the Department. 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 not later than the fifteenth day of each calendar month for all taxable consideration received during the immediately preceding calendar month, and (2) all tax payments shall be made to the Department not later than the fifteenth day of each calendar month for all taxable consideration received during the immediately preceding calendar month.

D. Notwithstanding any provision of this section to the contrary, if a booking intermediary facilitates a transaction between a recipient and a valet parking business, the applicable tax imposed by Section 4-236-020 shall apply, and shall be collected and remitted to the Department in accordance with subsection (f) of Section 4-236-020.

4-236-030 Rules and regulations – Authorized – Publication.

The Comptroller is authorized to adopt, promulgate and enforce rules and regulations pertaining to the administration and enforcement of this chapter. Those rules may also be enforced by the commissioner of business affairs and consumer protection.

4-236-050 Maintenance of records.

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

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

4-236-060 Tickets, tags and receipts.

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

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

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

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

than one day, indicating starting and ending dates of the week, month or other period. Tags shall be issued by the operator in numerical sequence.

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

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

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

4-236-070 Tax remittance and returns.

(a) On or before the last day of each calendar month, each operator and booking intermediary shall file with the Department a remittance return and remit all tax due for the preceding calendar month. The return shall be filed on a form prescribed by the Comptroller, containing such information as the Comptroller may reasonably require.

(b) In addition to any other information required by the Comptroller, each operator and booking intermediary shall report on the remittance return the total amount of charges collected from recipients during the preceding calendar month for the privilege of parking a motor vehicle in or upon a parking lot or garage located in the City of Chicago.

(c) 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 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 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 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.

4-236-090 Tax to be paid into city treasury.

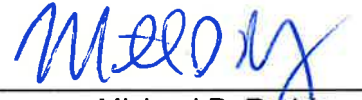
All proceeds resulting from the imposition of the tax under this chapter, including penalties and interest, shall be paid into the treasury of the City of Chicago and shall be credited to and deposited in the corporate fund of the city.

4-236-110 Reserved.

4-236-120 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.

SECTION 2. This ordinance shall take effect ten days after passage and publication.



Michael D. Rodriguez
Alderson, 22nd Ward