



City of Chicago
Rahm Emanuel, Mayor

Department of Law

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February 28, 2017

Jack George
Akerman LLP
71 South Wacker Drive, 46th Fl
Chicago, Illinois 60606

Dear Mr. George:

I am writing in response to your letter of February 22, 2017 (copy attached).

The Amusement Tax Ordinance defines the term "amusement" to include "any paid television programming ..." Municipal Code of Chicago ("Code"), Section 4-156-010. The Ordinance defines "paid television" as "programming that can be viewed on a television or other screen, and is transmitted by cable, fiber optics, laser, microwave, radio, satellite or similar means to members of the public for consideration." *Id.* Amusement Tax Ruling #1 provides: "Activities that are primarily educational are not amusements and therefore are not subject to the tax."

From the description in your letter, it is our opinion that the [REDACTED] [REDACTED] is primarily educational; therefore, the Amusement Tax does not apply to the charges that [REDACTED] pays to receive it. In light of our opinion on this issue, we need not and do not reach the issue of whether an exemption would apply.

This private letter ruling is written advice that may be relied upon pursuant to Code Section 3-4-325. It is based on the law as of the date of this letter, along with the assumption that the facts represented in your letter are accurate and complete.

Very truly yours,

Weston W. Hanscom
Deputy Corporation Counsel
Revenue Litigation Division
(312) 744-9077

cc: Joel Flores, Department of Finance



Jack George

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February 22, 2017

VIA HAND DELIVERY

Mr. Weston Hanscom
Chicago Department of Law
30 N. LaSalle St., Room 1020
Chicago, IL 60602

In re: [REDACTED] of Chicago
Amusement Tax Exemption – “[REDACTED]”

Dear Mr. Hanscom:

I represent [REDACTED] and am writing to seek confirmation that [REDACTED] is exempt from the payment of Amusement Tax as it relates to the “[REDACTED]” a satellite television system that is offered by [REDACTED] to patients and families in the hospital. Enclosed herein is a document setting forth specific details regarding the [REDACTED] and how it operates at [REDACTED].

[REDACTED] It is transmitted separately from other satellite television programming that [REDACTED] offers (currently through [REDACTED]). [REDACTED]

Section 4-156-020(B)(5)(a) of the Chicago Municipal Code states that the Amusement Tax shall not apply to the privilege of witnessing any amusement sponsored by and the proceeds of which inure exclusively to the benefit of educational and charitable institutions. The [REDACTED] is provided by [REDACTED] for patient education and patient care experience and accordingly we believe that [REDACTED] is exempt from paying an amusement tax for the [REDACTED] and I would respectfully request that you please confirm this.

While [REDACTED] understands that the City of Chicago has taken the position that

the Amusement Tax does apply to regular satellite television subscriptions held by [REDACTED] we respectfully disagree that satellite television offered in a [REDACTED] should be subject to an Amusement Tax. The viewing of satellite television while staying as a patient or a visitor in a hospital is very different than that of viewing satellite television in a sports bar or hotel where television may be offered as an amusement. In the [REDACTED], television is offered to patients as an option for relaxation and distraction rather than as an amusement; satellite television is only offered as an ancillary service to those staying in or visiting the [REDACTED] and no one visits the [REDACTED] for the primary purpose of watching television. However a sports bar or a hotel is distinguishable because it may offer television as a primary reason for visiting the establishment. We respectfully request that the City of Chicago consider amending Section 4-156-020 of the Chicago Municipal Code to exempt [REDACTED] from the payment of an amusement tax for satellite television.

Upon confirmation from you that [REDACTED] is exempt from paying the Amusement Tax for the [REDACTED] we will prepare and file the Amusement Tax Exemption Application with the Department of Finance. If you have any questions regarding this information my client and I are happy to meet with you to further discuss.

Sincerely,



John J. George

cc: Alderman Patrick O'Connor
Reagen Atwood
Jill Fraggos

