



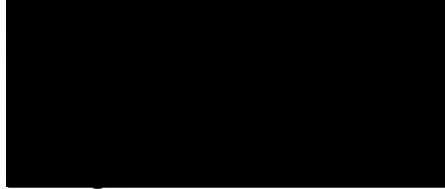
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September 6, 2011



Re:



Dear



We are responding to your email of August 10, 2011, addressed to Dan Andrade of the Chicago Department of Revenue ("Department"), concerning the application of the City's Parking Tax Ordinance, Municipal Code of Chicago ("Code") Chapter 4-236 ("Ordinance"), to the above-referenced leases.

Code Section 4-236-020(a) provides that the Parking Tax ("Tax") "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."

Code Section 4-236-010 states that the term "[p]arking lot' or 'garage' means any building, structure, premises, enclosure or other place, whether enclosed or not, except a public way, within the City of Chicago, where four or more motor vehicles are stored, housed or parked for hire, charge, fee or other valuable consideration in a condition ready for use, or where rent or compensation is paid to the owner, manager or lessee of the premises for the housing, storing, sheltering, keeping or maintaining of such motor vehicles."

Code Section 4-236-020(b) states that "[t]he ultimate incidence of and liability for payment of the tax is on the person who seeks the privilege of occupying space in or upon the parking lot or garage (such person hereinafter referred to as the 'recipient')."

Code Section 4-236-020(e) states that "[i]t 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 of revenue."

Code Section 4-236-010 states that the term "[o]perator' means any person conducting the operation of a parking lot or garage, as defined by this chapter, or receiving the consideration for parking or storage of motor vehicles at such parking place."



Code Section 4-236-020(f) states that “[e]very 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.”

Based on our review of the leases in question, it appears to us that:

- Each location is a parking garage as defined in the Ordinance;
- Each lessee is the recipient of the privilege of parking motor vehicles in the lessor’s garage;
- [REDACTED]
- [REDACTED] therefore has the obligation to collect the Tax from the lessee at the time the rent to which it applies is collected.

We understand that the [REDACTED] also include office space and other items that may not be subject to the Tax. As a result, there may be issues of how to allocate the lease payments between taxable and non-taxable charges; however, we assume that is something that can be addressed in discussions between [REDACTED] and the Department. Since each [REDACTED] also includes parking spaces leased or rented to other customers, one option might be to attribute comparable prices to the spaces leased to [REDACTED]

The Ordinance does not say that the Tax applies only to parking made available to the general public. The statement in the web site entry you attach is incorrect and has been changed. If [REDACTED] relied on that statement in the past, then it may be eligible for abatement of Tax, interest and penalties, pursuant to Code Section 3-4-325, depending on the facts. Here again, we assume this is something that can be addressed in discussions between [REDACTED] and the Department.

Very truly yours,



Weston W. Hanscom
Deputy Corporation Counsel
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cc: Mike Luzzi
Rommel Pitchan
Tim Yung
Daniel Andrade