



City of Chicago  
Brandon Johnson, Mayor

Department of Law  
Mary B. Richardson-Lowry,  
Corporation Counsel

Revenue Litigation Division  
2 North LaSalle Street  
Suite 440  
Chicago, Illinois 60602-3702  
(312) 744-5691  
[www.cityofchicago.org](http://www.cityofchicago.org)

August 27, 2025

VIA EMAIL ONLY

[REDACTED]  
Owner and Director  
[REDACTED]

Re: Private Letter Ruling for [REDACTED]

Dear Mr. [REDACTED]:

This Private Letter Ruling (“PLR”) is issued pursuant to your February 27, 2025 request (“Request”) for an opinion regarding whether your nonpossessory computer leases are exempt from the Chicago Personal Property Lease Transaction Tax (“Lease Tax”), Chicago Municipal Code (“Code”) § 3-32, *et seq.* (Copy attached.) As explained below, the Department of Finance (“Department”) agrees that [REDACTED] may claim the exemption in Code § 3-32-050(A)(11) (“Exemption 11”) for the transactions disclosed in your Request.

You state in your Request that your staff journalists write news articles [REDACTED], which are copyright-assigned to [REDACTED] and exclusively published on your website. The terms of the provided subscription agreement expressly grant access to copyrighted “content produced by [REDACTED]”. These news articles, current and archived, comprise the “vast majority” of materials on your website that is paid subscription content. According to your Request, subscribers may access these news articles by using a basic keyword search, clicking a topic tag, or navigating webpages for specific cases and [REDACTED] featuring all related news articles. The City’s provisional site access also confirmed that news articles may be accessed using limited search tools and filter options. Subscribers can also download legal documents, such as the [REDACTED] obtained by [REDACTED] through its investigative reporting. Your Request states that access to these legal documents is not part of the subscription, but instead is “supplemental material” that is “routinely shared” with an independent website where legal documents are made publicly available. These legal documents are not searchable using browsing tools.

Lease Tax is imposed upon “the privilege of using in the city personal property that is leased or rented outside the city,” including upon nonpossessory computer leases: “the customer obtains access to the provider’s computer and uses the computer and its software to input, modify or retrieve data or information, in each case without the intervention (other

than de minimis intervention) of personnel acting on behalf of the provider.” Code §§ 3-32-020(I), 3-32-030(A). Some nonpossessory computer leases, however, may claim Exemption 11:

Under rules to be prescribed by the department, the nonpossessory lease of a computer in which the customer's use or control of the provider's computer is de minimis and the related charge is predominantly for information transferred to the customer rather than for the customer's use or control of the computer . . . .

Personal Property Lease Transaction Tax Ruling #12, ¶ 9, which concerns the subject exemption, states:

When the City Council amended the lease tax ordinance to add Exemption 11, it stated in the preamble that “certain . . . news services” would qualify under Exemption 11, whereas “legal research and similar on-line computer database searches” would not. City Council Journal 11/10/9[4] at 59138-9 . . . [E]xempt use may be demonstrated . . . by access to materials that are primarily proprietary, such as copyrighted newspapers, newsletters or magazines.

Ruling #12, ¶ 11 states:

The customer may pay a subscription fee for the ability to download or otherwise access the desired information or data, and the subscription fee may allow the customer to use a search function to locate the information or data that the customer wishes to download or otherwise access, but the value of the search function is subordinate to the value of the information or data that the customer wishes to download or otherwise access (i.e., the charge is predominantly for the information or data). This will typically apply in the case of a web site . . . that allows a subscriber to download or otherwise access materials that are primarily proprietary, such as copyrighted newspapers, newsletters or magazines, that the subscriber would have to purchase if the materials were acquired or accessed through other means, such as a purchase at a “bricks and mortar” store.

*See also* Revised Information Bulletin, Nonpossessory Computer Leases, pp. 9-10, Chi. Dept. Rev. (eff. July 1, 2020).

Considering the information [REDACTED] has provided, the Department agrees that [REDACTED] subscription fees qualify for Exemption 11. Critically, [REDACTED] is a news service that publishes original, proprietary work authored by staff journalists. Subscribers pay to read your copyrighted news articles, in contrast to customers that primarily pay to search for information on a legal or research or other database. For these reasons, we agree that [REDACTED] taxable leases meet the requirements of Exemption 11.

[SIGNATURE PAGE TO FOLLOW]

Letter to [REDACTED]  
August 27, 2025  
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*This PLR is based on the text of the Lease Tax ordinance as of the date of this letter and limited to your Request's specific factual situation being represented accurately and completely. The opinions contained herein are expressly intended to constitute written advice that may be relied upon pursuant to Code § 3-4-325. However, please note that reliance on written advice in a PLR that is ten or more years old shall be deemed not reasonable unless ratified in writing by the Corporation Counsel's Office. See Uniform Revenue Procedures Ordinance Ruling #3, Section 12, Chi. Dept. Rev. (eff. June 1, 2004).*

Very truly yours,

/s/ Crystal Janssen  
Crystal Janssen  
Assistant Corporation Counsel  
City of Chicago Department of Law  
2 North LaSalle Street, Suite 440  
Chicago, Illinois 60602

Enclosure (1)

cc: Brian Carlson, Deputy Director, Department of Finance  
Susan Jordan, Deputy Corporation Counsel, Department of Law

February 27<sup>th</sup>, 2025

City of Chicago Department of Revenue  
Tax Policy Section  
Room 300, DePaul Center  
333 South State Street  
Chicago Illinois 60604-3977

Re: Request for Private Letter Ruling  
Chicago Personal Property Lease Transaction Tax

To whom it may concern:

I am writing to request a Private Letter Ruling to confirm that the services provided by [REDACTED], an online legal news service, are exempt from the Chicago Personal Property Lease Transaction (PPLT) Tax under Exemption 11 of PPLT Tax Ruling #12.

[REDACTED] has no physical presence in the city of Chicago, but we sell subscriptions to [REDACTED] law firms and universities in Chicago. Until 2024, annual sales to Chicago customers were below \$100k so [REDACTED] did not have economic nexus in the city. However, our last sale in Chicago in December 2024 pushed us over the \$100k threshold for 2024, potentially requiring that we collect the PPLT Tax on future transactions with Chicago customers if our services are taxable.

Due to uncertainties surrounding the applicability of the PPLT Tax to [REDACTED] services, we have not been collecting the PPLT Tax from Chicago customers in 2025 (there has only been one sale this year). If the decision from the Private Letter Ruling is that our services are not exempt from the PPLT Tax, we will register to collect sales tax and remit the amount owed for 2025 and submit a Voluntary Disclosure Agreement (VDA) to avoid punitive measures associated with possible non-compliance in 2025.

### **Description of Services Provided**

[REDACTED] is an online legal news service that conducts investigative journalism focused on [REDACTED]. [REDACTED] information about them is not readily available to the public, and news about developments in the cases are not covered systematically by mainstream media outlets (except in instances where they have large implications for public policy and public finances).

[REDACTED] fills this information gap by providing news and analysis about recent developments related to these legal cases. [REDACTED] is staffed by a team of legal

journalists who investigate and write original news articles about [REDACTED]

[REDACTED]. The reporting team writes and releases news articles about cases on an almost daily basis, [REDACTED]. Over the years, [REDACTED] has published more than 7800 news articles about 2500 different legal cases.

Subscribers to the [REDACTED] news service include law firms, government agencies, non-governmental organizations (NGOs), universities and individuals in the US and in other countries. These subscribers rely on [REDACTED] so that they can learn about recent developments [REDACTED]; to help them prepare or anticipate relevant issues in their own legal and policy work (in the case of law firms and government agencies); to inform their teaching and academic work (in the case of universities); or to assist their lobbying and advocacy work (in the case of non-governmental organizations that watch these disputes keenly [REDACTED]).

Subscribers log in to the website either through a unique log-in ID and password or through IP recognition. Once logged in, subscribers can read the full text of all recent and archived news articles [REDACTED]. Non-subscribers can see the title of recent headlines on the website's landing page, but they cannot read the full news articles. [REDACTED] also sends out its latest headlines to anyone who wishes to receive them via email on a daily basis for free. But, again, a subscription is required to read the full text of these articles.

To help them sort through the 7800 news articles produced by [REDACTED], subscribers also have access to the following ancillary searching and filtering tools:

- Subscribers can use the basic search engine ("search bar") on our website to facilitate finding relevant news articles by keyword.
- There is a [REDACTED] that allows subscribers to filter our vast archive of reporting by [REDACTED] topics tagged by our team, so that users are shown just the relevant extracts from our news reporting that pertain to a given topic.
- The [REDACTED] feature includes [REDACTED] information about each case (i.e. who are the parties, what [REDACTED] it involves, etc.) and a list of all news articles written by [REDACTED] about that case.
- The [REDACTED] feature allows readers to browse through all the reporting that we have done about a particular [REDACTED], the cases that they have been involved in, and a list of the relevant news articles written by [REDACTED] pertaining to those cases.

██████████ subscribers can also download legal decisions ██████████ related to some of the cases that our team has obtained in the course of our reporting. These legal documents are made available to subscribers as supplemental material to our news articles. However, we take the view that documents obtained in the course of our reporting should be shared with the general public at no cost to them, so we have routinely shared copies of the aforementioned legal decisions with a website ██████████ that makes these legal decisions available to the public *at no charge*. Furthermore, we prominently advertise this free public website ██████████, so that anyone visiting our website (including non-subscribers) is aware of where they can access such documents for free. Thus, these legal documents, which are the only content on our website not written by the ██████████ team, and which represent a tiny portion of what is on our website, are very peripheral to our business and editorial aims. Indeed, those types of legal documents circulate more generally online and among persons working in our field because they are not copyrighted or proprietary material. By contrast, *our* business model is focused squarely on selling access to *our proprietary writings/reporting about* such legal cases or documents.

Subscribers pay for access to our website and their rights are limited by a usage agreement that prohibits sharing reporting published on our website with non-subscribers. Before subscribing ██████████, all new customers must consent to an agreement specifying the terms of usage. At the end of the subscription term, the customer no longer has access to any online content.

### **Applicability of Exemption 11**

Exemption 11 of PPLT Tax Ruling #12 states that a service is exempt from the application of the PPLT when (a) the customer's use or control of the provider's computer is de minimis and (b) the related charge is predominantly for the information transferred to the customer rather than for the customer's use or control of the computer. The ruling further states that exempt use may be demonstrated either (a) by access to information or data which is entirely passive (such as streaming data), without interactive use, or (b) by access to materials that are primarily proprietary, such as copyrighted newsletters or magazine. Related to (b), Exemption 11 (paragraph 11) further clarifies that:

Access to materials that are primarily proprietary is also an exempt use of the provider's computer. The customer may pay a subscription fee for the ability to download or otherwise access the desired information or data, and the subscription fee may allow the customer to use a search function to locate the information or data that the customer wishes to download or otherwise access, but the value of the search function is subordinate to the value of the information or data that the customer wishes to download or otherwise access (i.e., the charge is predominantly for the information or data). This will typically apply in the case of a web site or "app" that allows a subscriber to download or otherwise access

materials that are primarily proprietary, such as copyrighted newspapers, newsletters or magazines, that the subscriber would have to purchase if the materials were acquired or accessed through other means, such as a purchase at a "bricks and mortar" store.

Based on this provision, we believe that the services provided by [REDACTED] fall under Exemption 11, because the subscription fee paid by customers is **primarily to gain access to proprietary materials**, as evidenced by the following features of the service:

- [REDACTED] news articles – which comprise the vast majority of materials on the [REDACTED] website – are original content created by our news team based on their investigative journalism. These articles cannot be accessed anywhere else. The copyright to them is owned by [REDACTED], and journalists on our team who write these materials assign the copyrights therein to [REDACTED]. Also, as noted earlier, subscribers are prohibited from sharing reporting published on our website with non-subscribers and they must consent to an agreement specifying the terms of usage. (A copy of the customer agreement is included as an attachment.)
- Although our website does give subscribers the ability to download some non-proprietary legal documents [REDACTED], these documents represent a tiny portion of the content on our website compared to our original news articles, and they are not used as the basis for the subscription charge. Users cannot search within these non-proprietary documents, and the documents are simply meant to be supplementary materials to our proprietary reporting. Indeed, as explained earlier, we have routinely shared these legal documents with a [REDACTED] website that makes such materials available to the public *for free*. Such decisions also circulate widely online and are considered public domain materials. Meanwhile, the core value of our website for our subscribers (and the reason they are paying for access) is for the proprietary *news reporting* that our expert journalists offer on legal cases.
- As specified under Exemption 11, the subscription charge for [REDACTED] is for access to the proprietary information that we are reporting, and the search tools available to subscribers are merely intended to help them navigate more easily through our more than 7800 news articles. When using the search bar/engine, subscribers are limited to the universe of [REDACTED] reporting. Similarly, the [REDACTED] have no function other than to filter down our vast archive of reporting so that users can see at a glance what articles are relevant to a particular topic, case or [REDACTED]. (Subscribers are limited to the filters created by our team; they cannot create their own filters). Thus, these tools have no broader or stand-alone value to subscribers and they are clearly subordinate to the value of the information on our website within the meaning of Exemption 11.
- [REDACTED] is a content creator and not a content aggregator, and thus it can be clearly differentiated from a legal research database (a product not covered by

Exemption 11). As stated in paragraph 12 of Exemption 11, the charge for a legal research database is “predominantly for the ability to perform the searches that are necessary to locate those documents” as opposed to the documents themselves. By contrast, [REDACTED] produces original content, and subscribers are paying for access to this proprietary content. Moreover, whereas some research databases or general search engines (like Google) may enjoy immunity from being sued under US law for the third-party content that it offers up in its search results, our journalism-focused business faces significant legal exposure due to our publishing our own original content. [REDACTED]

Based on the above, we are requesting a Private Letter Ruling confirming that the news service provided by [REDACTED] is not subject to the PPLT Tax.

If you have any questions regarding the nature of the [REDACTED] services or concerns about issuing a ruling, we respectfully request a meeting with you before any ruling is issued. We can also offer you a temporary subscription to the website if you would like to experience it yourselves.

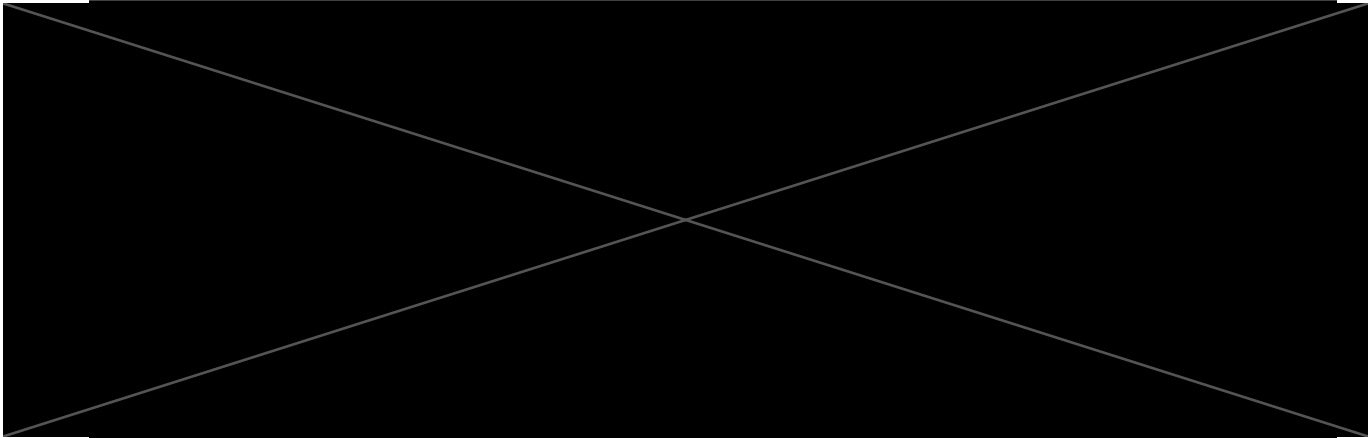
Please feel free to contact me if you would like to schedule a meeting or if you need additional information. Thank you for considering this matter.

Sincerely,

[REDACTED]

**Attachment:** Subscriber Terms of Use Agreement





**SUBSCRIPTION TERMS AND CONDITIONS: COMMERCIAL  
INSTITUTIONAL SUBSCRIPTION**

January 01, 2024

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