



## **Chicago Department of Revenue**

### **2010 Employers Expense Tax Relief Issues**

Employers Expense Tax (EET) registrants and other Chicago employers who may be obligated to register for and remit the EET should be aware of the following important opportunities for tax relief:

#### **2010 Employers Expense Tax Relief Ordinance**

On January 13, 2010, the Chicago City Council passed an ordinance granting tax relief to Chicago employers. The relief included two components. The first relieved businesses, with no obligation for EET in the tax year ending June 30, 2009, of an obligation for the EET in the tax years ending June 30, 2010 or June 30, 2011. The second component capped the amount of liability for EET to insure that no employer's obligation for the EET would increase in the tax years ending June 30, 2010 or June 30, 2011. This ordinance and the answers to questions on the application of this amendment are available on-line at: [http://www.cityofchicago.org/city/en/depts/rev/provdrs/tax/news/2010/jan/employers\\_expensetax-taxreliefordinance.html](http://www.cityofchicago.org/city/en/depts/rev/provdrs/tax/news/2010/jan/employers_expensetax-taxreliefordinance.html)

#### **Tax Relief Related to Non-Compliance with Employers Expense Tax Ruling #2-Unitary Business Group as "Employer"**

This ruling, effective on September 15, 2005, advises employers when calculating the 50 employee threshold contained in section 3-20-030 (A) of the EET ordinance, employees employed by members of a single "unitary business group" (UBG) shall be combined. The ruling defines a UBG as a group of persons related through common ownership, whose business activities are in the same general line and whose members are functionally integrated through the exercise of centralized management. This ruling is available on-line at: [http://www.cityofchicago.org/content/dam/city/depts/rev/supp\\_info/TaxRulingsandRegulations/EETTaxRuling2.pdf](http://www.cityofchicago.org/content/dam/city/depts/rev/supp_info/TaxRulingsandRegulations/EETTaxRuling2.pdf)

Employers who are members of a UBG, who are not presently in compliance with the requirements of this ruling may resolve their past liabilities by taking advantage of an industry wide settlement. The settlement will waive taxpayer liability for any applicable past penalty or interest liability.

Non-compliant employers who have not previously been issued tax assessments concerning the UBG issue may contact the Department to get registered, obtain appropriate tax forms to report liability and begin the settlement process as follows; Chicago Department of Revenue, Tax Division, Attn: Brian Carlson, 333 South State Street Suite #300, Chicago Illinois, 60604-3977. Mr. Carlson may also be reached at (312) 747-1969 or [Brian.Carlson@cityofchicago.org](mailto:Brian.Carlson@cityofchicago.org). It should be noted that the tax only settlement relates only to the UBG EET issue and no other amount due for failure to remit EET tax. The settlement will also only apply for those debts resolved and paid prior to December 31, 2010.

Those employers who have been issued tax assessments will be contacted by the assigned City of Chicago attorney to resolve their EET UBG liabilities according to similar terms.

The rulings and ordinances cited in this bulletin should be consulted for exact terms and takes precedence over this bulletin, which is intended only as a summary.