



## **NEW CHICAGO VACATION RENTAL & SHARED HOUSING SURCHARGE EFFECTIVE DECEMBER 1, 2018**

We are sending you this notice because our records indicate that you own, operate and/or facilitate the rental of one or more vacation rentals or shared housing units in the City of Chicago (“City”).

**Section 3-24-030(C) of the Municipal Code of Chicago (“Code”) imposes a new surcharge (“Surcharge”) upon the rental or leasing of any vacation rental or shared housing unit in the City at the rate of 2% of the gross rental or leasing charge, effective December 1, 2018. This Surcharge is in addition to the 4% surcharge imposed by Section 3-24-030(B) of the Code, collectively known as the Surcharges.**

**What is a vacation rental?** Section 4-6-300 of the Code defines a “vacation rental” as a dwelling unit that contains 6 or fewer sleeping rooms that are available for rent or for hire for transient occupancy by guests.

**What is a shared housing unit?** Section 4-14-010 of the Code defines a “shared housing unit” as a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy by guests.

**Are the Surcharges imposed in addition to the base rate of the Chicago Hotel Accommodations Tax?** Yes. The Hotel Accommodations Tax (“Tax”) is imposed upon the rental or leasing of any hotel accommodations, including vacation rentals or shared housing units, at a base rate of 4.5% of the gross rental or leasing charge. The 6% Surcharges are imposed in addition to the 4.5% base rate of the Tax, for a total City tax rate equal to 10.5% of the gross rental or leasing charge.

**What is the gross rental or leasing charge?** Section 3-24-020(3.5) defines “gross rental or leasing charge” as the gross amount of consideration for the use or privilege of using hotel accommodations 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, but not including 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. The term “gross rental or leasing charge” excludes separately stated optional charges not for the use or privilege of using hotel accommodations.

**Who is required to collect and remit the Tax?** It is the joint and several duty of every owner, manager or operator of every vacation rental and shared housing unit to collect and remit to the City’s Department of Finance the full amount of the Tax (including the Surcharges). Section 3-24-020 of the Code defines an “operator” as any person who has the right to rent or lease hotel accommodations to the public for consideration or who, directly or indirectly, receives or collects the price, charge or rent paid for the rental or lease of hotel accommodations. This term includes, but is not limited to, persons engaged in the business of selling or reselling to the public the right to occupy hotel accommodations, whether on-line, in person or otherwise. The term also includes persons engaged in the business of facilitating the rental or lease of hotel accommodations for consideration, whether on-line, in person or otherwise. If a facilitator collects and remits the correct amount of Tax (including the Surcharges), then the owner of the unit will not have to do so. If not, then the owner of the unit will be liable for the Tax (including the Surcharges), along with interest and penalties.

**How do I register for the Surcharges?** The Surcharges are part of the Tax. Therefore, if you are already registered for the Tax, no additional registration is required. If you are not currently registered for the Tax but have a business license account number with the City, you must complete and submit an Affidavit for Initial Tax Period. To obtain this form, visit [www.cityofchicago.org/finance](http://www.cityofchicago.org/finance). Click the “Tax Collection and Enforcement” link in the “What We Do” section. The form can be found in the “Supporting Information” section under “Tax Application and Affidavit Forms.” If you are not registered or licensed with the City, please visit [www.cityofchicago.org/bacp](http://www.cityofchicago.org/bacp) or contact Customer Service at 312-747-4747 for more information.

**When is my payment due?** The Tax (including the Surcharges), must be remitted on or before the 15<sup>th</sup> day of the month following the month in which the liability was incurred. Accordingly, the first payment to include both Surcharges is due on or before 1/15/19 for liability incurred in December 2018.

**When is my tax return due?** Tax returns are due on August 15<sup>th</sup> for the preceding fiscal year of July 1st through June 30th. Please note, as of 1/1/2016, all returns are required to be filed online.

**More questions about the Surcharge or other taxes?** Please visit [www.cityofchicago.org/finance](http://www.cityofchicago.org/finance) or contact Customer Service by phone at 312-747-4747 or via e-mail at [revenue@cityofchicago.org](mailto:revenue@cityofchicago.org).