


**CITY OF CHICAGO  
DEPARTMENT OF FINANCE  
UNIFORM REVENUE PROCEDURES ORDINANCE RULING**

Pursuant to Sections 2-80-040, 3-4-030 and 3-4-150 of the Municipal Code of Chicago, I hereby promulgate Uniform Revenue Procedures Ordinance Ruling #6, set forth below.

  
Erin Keane  
City of Chicago Comptroller

Uniform Revenue Procedures Ordinance Ruling #6  
Subject: Collection Obligations - Facilitators  
Effective Date: January 1, 2019

1. Section 3-4-020 of the Municipal Code of Chicago ("Code") states, in pertinent part, that the term "tax collector" means "any person required to collect and remit any tax and any person who collects a tax, whether or not required to do so."

2. Code Section 3-4-280 states: "Any tax required to be collected by any tax collector pursuant to any tax ordinance and any tax in fact collected by a tax collector shall be collected in trust for the city and shall constitute a debt owed by the tax collector to the city."

3. Pursuant to the amusement tax ordinance (Code Chapter 4-156), the hotel tax ordinance (Code Chapter 3-24), the lease tax ordinance (Code Chapter 3-32), and the parking tax ordinance (Code Chapter 4-236), some businesses are required to collect tax because they contract with other businesses that provide taxable services, property or products to customers. For convenience, we will refer to the former businesses as "facilitators," and we will refer to the latter businesses as their "clients." For example:

- a. A facilitator may contract with a local venue to sell tickets for amusements that are held at the client's venue in Chicago.
- b. A facilitator may contract with the owner of a local hotel, bed and breakfast, vacation rental or house sharing unit to lease accommodations at the client's establishment in Chicago.
- c. A facilitator may contract with the owner of certain personal property to lease the client's property to customers in Chicago.
- d. A facilitator may contract with the owner of a local garage or parking lot to lease parking spaces at the client's garage or lot in Chicago.

4. Pursuant to the amusement tax ordinance, the hotel tax ordinance, the lease tax ordinance, and the parking tax ordinance, the tax owed is based on the full amount paid by the customer, including any and all charges that the customer pays incidental to obtaining the taxable services, property or products in question, including all service fees, convenience fees, facilitation fees and other such charges, regardless of terminology.

5. A tax collector may contract with another business for that other business to collect and/or remit taxes on its behalf only if the other business is registered with the Department of Finance ("Department") as a tax collector and/or taxpayer, and in good standing as such, as evidenced by a certificate issued by the Department, or as otherwise confirmed by the Department. If the other business is not registered and in good standing, then in the event of non-compliance, the Department reserves the right to proceed against the tax collector, the other business or both, for lost tax, interest, penalties and other appropriate relief.

6. Subject to the terms of this ruling, if a client is registered and in good standing with the Department, the facilitator and client may agree that the client will assume full responsibility for remitting all of the taxes owed (which, as noted above, must be based on the full amount paid by the customer, including any fees charged by the facilitator). Conversely, if a facilitator is registered and in good standing with the Department, the facilitator and client may agree that the facilitator will assume full responsibility for remitting all of the taxes owed. If both the facilitator and the client are registered and in good standing, they may agree that the facilitator will remit taxes on its fees, and the client will remit taxes on the charges it receives after deduction for the facilitator's fees. If the client is not registered and in good standing, then the facilitator must collect and remit all taxes owed on all charges paid by the customer. Likewise, if the facilitator is not registered and in good standing, then the client must remit all taxes owed on all charges paid by the customer.

7. In accordance with Code Sections 3-4-170, 4-156-030, 3-24-070, 3-32-110 and 4-236-050, clients and facilitators must keep books and records sufficient to demonstrate their compliance with their respective collection and remittance obligations. The Department reserves the right to require the periodic submission of reports containing information from such books and records, as a condition to the right of a business to take advantage of the terms of this ruling. The Department also reserves the right to attach other conditions to and limitations on the right of a business to take advantage of the terms of this ruling, provided that such conditions and limitations are consistent with the Code.

8. In general, the Department will not allow a facilitator to delegate its collection and remittance obligations to clients who are individuals and/or whose taxable transactions involve small amounts of money. Examples of such clients include, but are not limited to, individuals engaged in "house sharing" or "car sharing."

9. The Department recognizes that some businesses have special circumstances that complicate tax collection. The Department is open to working with such businesses to try to arrive at practical solutions that will accommodate the legitimate interests of the businesses while

also protecting the interests of the City. Any business having such circumstances should contact the Department.

10. This ruling is intended to confirm rather than change existing law.