



IS YOUR EVENT SUBJECT TO THE CHICAGO AMUSEMENT TAX?

Section 4-156-020 of the Chicago Municipal Code imposes a tax upon the patrons of every amusement within the City. The tax is based on the admission fees or other charges for the privilege to enter, to witness, to view or to participate in the amusement. This publication is a summary. Please consult the ordinance and any applicable rulings or other official statements for details.

What is an amusement? In general, all entertainment or recreational activities offered for public participation or on a membership or other basis are amusements subject to the tax.

How do I know if my event is taxable? Examples of taxable fees or charges include but are not limited to those for sporting events, concerts, movies, cover charges, pub crawls, sport and social clubs, tours, cruises, etc.

Who is responsible for collecting and remitting the tax? Owners, managers, and operators of amusements or places where amusements are conducted and resellers must collect from patrons the tax imposed by the amusement tax code. Note: "Operator" means any person who sells or resells a ticket to an amusement or who, directly or through an agreement or arrangement with another party indirectly, collects the charges paid for the sale or resale of a ticket to an amusement. The term includes, but is not limited to, persons engaged in the business of selling or reselling tickets to amusements, whether on-line, in person or otherwise. The term also includes persons engaged in the business of facilitating the sale or resale of tickets to amusements, whether on-line, in person or otherwise.

What is the tax rate? The tax rate is 9% of charges paid. The term "charges paid" includes any and all charges that the patron pays incidental to obtaining the privilege to enter, to witness, to view or to participate in an amusement, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees and other such charges, regardless of terminology.

The capacity of my venue is not more than 1,500 persons. Are my events exempt from the tax? The Amusement Tax shall not apply to admission fees to witness in person live cultural performances that take place in any auditorium, theater or other space in the city whose maximum capacity, including all balconies and other sections, is not more than 1,500 persons. Note: this exemption applies only to venues where admission fees are paid to witness live cultural performances. It does not apply to charges for movies, pub crawls, sporting events, etc. The 9% Amusement Tax will continue to apply to these types of amusements, regardless of venue capacity.

How should resale transactions be taxed? The rate of tax imposed upon the buyer of a ticket in a resale transaction shall be equal to 3% of the admission fees or other charges paid for the ticket in the resale transaction. If the buyer in a resale transaction purchases the ticket for purposes of resale, then no tax shall be due from the buyer on the purchase if the buyer is registered with the City's Department of Finance as a tax collector under Section 4-156-030. Finally, if the original sale of a ticket is exempt, then the resale of that ticket is exempt as well.

How do I get registered with the Department of Finance? If you do not have an account number with the City of Chicago and your business does not require a license issued by the City, complete and submit a Tax Registration Form and an Affidavit for Initial Tax Period. If you already have an account number with the City because you have a business license or are registered for another tax, you do not need to submit the Tax Registration Form. You may submit the Affidavit for Initial Tax Period indicating your existing City of Chicago account number. Please visit our website at www.cityofchicago.org to obtain these forms.

When is my payment due? Amusement Tax must be remitted on or before the 15th day of the month following the month in which the liability was incurred.

When is my tax return due? Amusement Tax returns are due on August 15th for the preceding fiscal year of July 1st through June 30th.

How do I apply for an exemption? Certain live cultural performances as well as certain amusements sponsored by religious, charitable, or educational not-for-profit organizations for fund-raising purposes are exempt (restricted to two events per calendar year not exceeding a total of 14 calendar days.) If you think your event is exempt from Amusement Tax in accordance with Section 4-156-020B(5)(a) through (g) of the Chicago Amusement Tax ordinance, you must submit an Amusement Tax Exemption Application at least 30 calendar days prior to the date of the amusement, or 15 calendar days prior to the date that admission tickets to the amusement are first made available for sale, whichever is earlier. The application can be found on our website at www.cityofchicago.org. For Amusement Tax exemption requests in accordance with 4-156-020B(5)(a) through (f), the applicant must demonstrate that the proceeds intended to inure exclusively to the benefit of the exempt entity or entities are reasonably anticipated to equal at least 10 percent of the gross revenues from the amusement.

Have more questions regarding the Amusement Tax or other taxes enforced by the Chicago Department of Finance? Please contact Customer Service by phone at 312-747-4747 or via e-mail at revenue@cityofchicago.org.