INFORMATIONAL BULLETIN

Chicago Parking Tax

TO: Registered Parking Lot And Garage Operators

The purpose of this bulletin is to outline recent amendments to the Parking Lot and Garage Operations Tax (“tax”). This bulletin discusses certain issues pertaining to the tax and what tax rate applies to specific situations.

General Information

The tax is imposed on the use and privilege of parking a motor vehicle in or upon any parking lot or garage in the City of Chicago. The ultimate incidence of and liability for payment of the tax is on the parking recipient.

Amendments to the Parking Tax

On November 2, 2011, the City Council passed amendments which are effective January 1, 2012. The amendments include the following changes to the daily, weekly, and monthly rates (with the old rates stricken and the new rates underscored):

(ii) The tax imposed by this chapter for the privilege of parking for a 24-hour period or less shall be $1.00 if the charge or fee is greater than $2.00 but less than $5.00; $1.75 if the charge or fee is $5.00 or more but less than $12.00; and $3.00 if the charge or fee is $12.00 or more and paid on a Saturday or Sunday; and $5.00 if the charge or fee is $12.00 or more and paid on a Monday, Tuesday, Wednesday, Thursday or Friday.

(iii) The tax imposed by this chapter for the privilege of parking on a weekly basis shall be $5.00 if the charge or fee is greater than $10.00 but less than $25.00; $8.75, if the charge or fee is $25.00 or more but less than $60.00; and $15.00 if the charge or fee is $60.00 or more.

(iv) The tax imposed by this chapter for the privilege of parking on a monthly basis shall be $20.00 if the charge or fee is greater than $40.00 but less than $100.00; $35.00, if the charge or fee is $100.00 or more but less than $240.00; and $60.00 if the charge or fee is $240.00 or more but less than $599.99; $90.00 if the charge or fee is $599.99 or more but less than $900.00; and $120.00 if the charge or fee is $900.00 or more.

Clarification of the application of the new daily parking tax rates to specific situations

Weekday/Weekend overlap

Where a taxable period of 24 hours or less starts on a weekday and ends on a weekend, the weekend rate of $3 will apply to that entire period. Conversely, where a taxable period of 24 hours or less starts on a weekend and ends on a weekday, the weekday rate of $5 will apply to that entire period.

Example #1

A customer parks in a garage at 8:00 a.m. on Friday and leaves at 8:00 a.m. on Saturday. The tax due for that period is $3.00.

Example #2

A customer parks in a garage at 8:00 a.m. on Sunday and leaves at 8:00 a.m. on Monday. The tax due is $5.00.

Example #3

A customer parks at an airport lot or garage at 10:00 a.m. on Monday and leaves at 10:00 a.m. on Saturday. The $5.00 tax applies to each of the 24 hour periods starting at 10:00 a.m. on Monday, 10:00 a.m. on Tuesday, 10:00 a.m. on Wednesday, and 10:00 a.m. on Thursday, with $3.00 tax due for the period of 10:00 a.m. Friday to 10:00 a.m. Saturday. If the customer instead leaves at a later time on Saturday, the weekend rates apply to any taxable charges for the additional time.

Example #4

A customer parks in a garage at 8:00 a.m. on Sunday and leaves at 8:00 a.m. on Monday. The tax due is $5.00.

Example #3

A customer parks at an airport lot or garage at 10:00 a.m. on Monday and leaves at 10:00 a.m. on Saturday. The $5.00 tax applies to each of the 24 hour periods starting at 10:00 a.m. on Monday, 10:00 a.m. on Tuesday, 10:00 a.m. on Wednesday, and 10:00 a.m. on Thursday, with $3.00 tax due for the period of 10:00 a.m. Friday to 10:00 a.m. Saturday. If the customer instead leaves at a later time on Saturday, the weekend rates apply to any taxable charges for the additional time.
Example #4

A customer parks at an airport lot or garage at 10:00 a.m. on Saturday and departs at 10:00 a.m. on Monday. A $3.00 tax is due for the period of 10:00 a.m. Saturday to 10:00 a.m. Sunday, and a $5.00 tax is due for the period of 10:00 a.m. Sunday to 10:00 a.m. Monday. If the customer instead leaves at a later time on Monday, the weekday rates apply to any taxable charges for the additional time.

Example #5

A hotel guest stays overnight at the hotel for Saturday night and Sunday night, and departs on Monday morning. The hotel charges its overnight guests for parking based on the night of stay. A $3.00 tax is due for Saturday night, and a $3.00 tax is due for Sunday night.

Example #6

A hotel guest stays overnight at the hotel for Friday night and Saturday night, and departs on Sunday morning. The hotel charges its overnight guests for parking based on the night of stay. A $5.00 tax is due for Friday night, and a $3.00 tax is due for Saturday night.

Advance Purchase Situations

Defined Event

A customer pre-purchases a book of passes for a sports team’s home games where parking passes are on pre-defined game days. The dates of the events are known in advance, and those dates dictate whether the $5 weekday rate or the $3 weekend rate applies.

Non-defined Event

A customer purchases bulk validation tickets or coupons for future use where date of use cannot be determined. For example, a law firm that buys numerous validation tickets to give to clients throughout a month or year, or downtown residents who buy multiple coupons for guest parking:

The operator selling the bulk validation tickets or coupons should either: (1) sell separate weekday and weekend tickets, in which case the $5 weekday rate will apply to the weekday tickets, and the $3 weekend rate will apply to the weekend tickets; or (2) sell one form of ticket, which may be used any day of the week (weekday or weekend), in which case the $5 weekday rate should be applied to all of the tickets.

Questions?

If you have questions or need more information, please write us. Our address is:

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