



INFORMATIONAL BULLETIN

■ Chicago Real Property Transfer Tax

TO:

All property owners with cell phone towers:

The purpose of this informational bulletin is to discuss specific issues identified by the Chicago Department of Revenue (the "Department") relating to the Chicago Real Property Transfer Tax (the "Transfer Tax"), chapter 3-33 of the Municipal Code of Chicago (the "Code"), as it relates to real property upon which wireless antennae and network communications equipment are placed ("cell sites"). This bulletin also discusses a compliance initiative being offered by the City.

What is the tax rate?

As of the date of this bulletin, the Transfer Tax rate is \$5.25 per \$500.00 of the transfer price, or fraction thereof, of the real property or the beneficial interest in real property that is transferred. The buyer is responsible for \$3.75, which is the "City portion," and the seller is responsible for \$1.50, which is the "C.T.A. portion."

Please refer to the Code and to the Department's website for current tax rate information and other details. The Department's website address is:

www.cityofchicago.org/revenue

What is a cell site?

A cell site is the location where the wireless antennae and network communications equipment are placed.

A cell site usually consists of a transmitter/receiver, antenna tower, transmission radios, and radio controllers. A cell site is operated by a wireless service provider.

If I have a cell site, how do I know if I am subject to the Transfer Tax?

If you have given consideration for an easement or have purchased a cell site, you may be subject to the Transfer Tax.

An easement is an interest in real property. Accordingly, any money or other property transferred for an easement would be subject to the Transfer Tax.

Are there any penalties and interest that apply to unfiled declarations or unpaid taxes?

Generally, the Transfer Tax is due when the transfer occurs. See Code Section 3-33-020. When the Transfer Tax is not timely paid, interest accrues on the unpaid tax, and penalties are often assessed. If no Transfer Tax Form (Form 7551) was filed at the time of the transfer, a penalty equal to 100% of the amount of the Transfer Tax is due. Code Section 3-33-110. If the failure to pay the Transfer Tax is determined to have been negligent or willful, a penalty of 25% of the tax is due. Code Section 3-4-220.

What should I do if I have failed to pay the Transfer Tax??

If you discover that you have unpaid

tax and enter our voluntary disclosure program, applicable penalties will be

waived. However, if you fail to voluntarily disclose tax owed and you are discovered by the Department, all applicable penalties noted above will apply.

For more information on voluntary disclosure please visit our website at:

www.cityofchicago.org/revenue.