

December 1998 Information Bulletin

Information Bulletin

Amendments to Chicago Amusement Tax Ordinance

TO: REGISTERED AMUSEMENT PROVIDERS

The Chicago City Council recently passed amendments to the Amusement tax ordinance, effective January 1, 1999, which include amongst other things, a reduction in the rate of the tax for certain amusements and the elimination of tax on others. Both of these amendments are dependant on the maximum capacity of the venues in which the amusements will be conducted and the nature of the related performances.

Tax Reduction on Certain Amusements:

Pursuant to revisions to section-4-156-020 E., the rate of tax on admission fees or other charges, to witness in person live theatrical, live musical or other 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 more than 750 persons and less than 5000 persons, has been reduced to 3%.

Elimination of Tax on Certain Amusements and Maximum Capacity:

Pursuant to revisions to section 4-156-020 D., the amusement tax shall not apply to or be imposed upon the admission fees to witness in person live theatrical, live musical or other 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 750 persons.

If all of the amusements conducted in your venue meet the requirements of this section and your venue AT ALL TIMES has a capacity of not more than 750 persons, you should complete and return the enclosed affidavit according to the instructions included thereon. Upon verification and approval, we will deactivate your amusement tax account.

Clarification of Effective Date:

Both of the rate amendments shall take effect on January 1, 1999. The 3% rate and the elimination of tax, shall only apply to admission charges or other fees billed and paid on or after January 1, 1999.

If you have any questions as to whether your amusements qualify as musical, theatrical or cultural performances, you may either contact our Tax Customer Service unit at (312) 747-9723 or the Law Department's Tax Division, at 30 N. LaSalle, Room 1040, Chicago IL. 60602. You may also contact Customer service for a complete copy of the ordinance revising the Amusement tax.

Questions?

If you have questions or need more information, please write or call us. Our address and telephone numbers are:

City of Chicago

Department of Revenue

Tax Policy Division

333 South State Street, Ste. 300

Chicago, IL 60604-3977

Customer Service (312) 747-9723

TTY (312) 747-2975