

CITY OF CHICAGO
DEPARTMENT OF REVENUE
SIMPLIFIED TELECOMMUNICATIONS TAX RULING

Pursuant to Sections 2-80-040, 3-4-030, 3-4-150 and 3-73-120 of the Chicago Municipal Code, I, Bea Reyna-Hickey, as Director of the City of Chicago Department of Revenue (“Department”), do hereby adopt and promulgate Simplified Telecommunications Tax Ruling #1A as set forth below, effective June 1, 2009.

Bea Reyna-Hickey
Director
Department of Revenue

Dated: May 5, 2009

Simplified Telecommunications Tax #1A
Subject: Completion of Reduced Rate Pursuant to Class Action Settlement
Effective date: June 1, 2009

Section 1. Chicago Municipal Code (“Code”) Section 3-73-030 imposes a tax upon the act or privilege of originating in the city or receiving in the city intrastate or interstate telecommunications at a rate of seven percent of the gross charge for such telecommunications purchased at retail.

Section 2. Effective February 1, 2005, pursuant to a court approved settlement in the class action entitled PrimeCo v. ICC, Case No. 98 CH 05500 in the Circuit Court of Cook County, the customers of all wireless telecommunications retailers, and the customers of all other telecommunications retailers (such as resellers) that do not own substantial equipment in the public way (such wireless and other telecommunications retailers hereafter referred to collectively as “wireless retailers”) were entitled to pay a reduced telecommunications tax rate of 6.5%, rather than the full rate of 7% that would otherwise apply pursuant to Code Section 3-73-030. Pursuant to the settlement, the reduced tax rate was to remain in effect for wireless retailers until \$30 million in savings were realized, at which time the Department would provide at least 60 days' written notice to wireless retailers that they must again collect and remit the full rate of the telecommunications tax.

Section 3. This Ruling #1A will provide notice that the agreed \$30 million in savings have been realized, and all wireless retailers must again collect and remit the full rate of the telecommunications tax (seven percent) as of June 1, 2009. Ruling #1 is superseded by this Ruling #1A and is therefore no longer in effect.