



March 16, 2017

[REDACTED]

City of Chicago
Rahm Emanuel, Mayor

Department of Law
Edward N. Siskel
Corporation Counsel

Revenue Litigation Division
30 North LaSalle Street
Suite 1020
Chicago, Illinois 60602

RE: Chicago Real Property Tax Transfer Tax Exemption – [REDACTED]

Dear [REDACTED]

We are responding to your request for an opinion confirming that [REDACTED] comes within the definition of "any governmental body" for purposes of section 3-33-060(B) of the Chicago Municipal Code (the "Code"). The date of your request was January 31, 2017, and is attached without its enclosures. You also supplemented your request with additional information.

The Chicago Real Property Transfer Ordinance (chapter 3-33 of the Code) imposes a tax on the sale of real estate located in the city. See Code section 3-33-030. However, transfers involving real property acquired by or from any governmental body are exempt from the Chicago Real Property Transfer Tax. Code section 3-33-060(B).

It is our opinion, based on a review of the documents you submitted and the additional research we conducted, that [REDACTED] comes within the definition of "any government body" for purposes of Code section 3-33-060(B).

Based on the above, it is our opinion that the proposed sale of the real property, which is owned by [REDACTED] Chicago, is exempt from the Chicago Real Property Transfer Tax. This opinion is based on the text of the Ordinance as of the date of this letter and the facts as represented in the attached letter being true. The opinions contained herein are expressly intended to constitute written advice that may be relied upon pursuant to section 3-4-325 of the Code.

If we may be of further assistance, please call me at (312) 744-1436.

Very truly yours,

Kim Edward Cook
Chief Assistant Corporation Counsel
Revenue Litigation Division

Encl.

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APPROVED:



Weston W. Hanscom
Deputy Corporation Counsel
Revenue Litigation Division

cc: Elaine Herman
Joel Flores



January 31, 2017

Confidential
Via Email and Messenger

City of Chicago Department of Law
30 N. LaSalle Street
Suite 900
Chicago, IL 60602
Attention: Weston W. Hanscom, Esq.
Email: whanscom@cityofchicago.org

Re: Private Letter Ruling Request – Exemption from Chicago Real Property Transfer Tax – [REDACTED]

Dear Wes:

[REDACTED] as the representative of [REDACTED] (“Property Owner”), hereby requests a ruling that the proposed transaction described herein will be exempt from Chicago Real Property Transfer Tax pursuant to Section 3-33-060(B) of the City of Chicago Municipal Code as a transfer involving real property acquired from any governmental body.

I. Summary of Facts

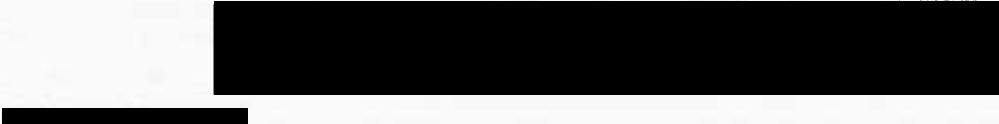
A. Summary of Transaction

Property Owner owns that certain real property located at [REDACTED] Chicago, Illinois (the “Property”). Property Owner proposes to sell the Property to a non-affiliated third-party for profit entity as part of an arm’s length transaction (the “Transaction”).

B. Organizational Structure

Enclosed herewith is a structure chart showing the ownership structure of the Property and Property Owner.

Property Owner is a single purpose Illinois limited liability company. Property Owner holds no assets other than the Property (and incidental related personal property). Property Owner is owned 99.5% by [REDACTED] an Illinois trust (the “Trust”) and 0.5%



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by [REDACTED], an Illinois corporation ([REDACTED]) The trust owns 100% of the shares of [REDACTED]

The Trust is a group trust established to facilitate the investment of various State of [REDACTED] retirement plan assets. The sole beneficiaries of the Trust are (i) [REDACTED] Public School Employees' Retirement System, (ii) State Employees' Retirement System, (iii) [REDACTED] State Police Retirement System and (iv) [REDACTED] Judges Retirement System (collectively, the "Beneficiaries"). All Beneficiaries are governmental plans ("Plans") providing retirement and other benefits to [REDACTED] public employees and their beneficiaries. The State Treasurer of the State of [REDACTED] (the "Custodian") has the authority and is responsible for investing funds held for the benefit of the beneficiaries of the Plans and has authorized the investment in the Trust, the assets of which are to be held in trust and invested and managed by [REDACTED] as trustee of the Trust ("Trustee"), as a separate trust for the purpose of investing in, holding, managing and selling real property interests for the exclusive benefit of the Plans and their beneficiaries.

The Internal Revenue Service has classified the Trust as a group trust arrangement as described in Revenue Ruling 81-100, 1981-1, C.B.326 and tax exempt under section 501(a) of the Internal Revenue Code with respect to the funds that equitably belong to its participating trusts that are qualified under section 401(a). The Trust is also tax exempt under section 408(e) with respect to the funds that equitably belong to its participating individual retirement accounts that are qualified under section 408.

II. Issue Presented

Whether the sale of a property owned indirectly by a group trust whose sole beneficiaries are governmental retirement plans qualifies for exemption from the Chicago Real Property Transfer Tax pursuant to Section 3-33-060(B) of the City of Chicago Municipal Code as a transfer involving real property acquired from any governmental body.

III. Ruling Requested

Property Owner requests that the City of Chicago determine that the Transaction is exempt from the Chicago Real Property Transfer Tax pursuant to Section 3-33-060(B) of the City of Chicago Municipal Code as a transfer involving real property acquired from a governmental body. Therefore, no transfer tax would be due under Chapter 3-33 of the City of Chicago Municipal Code from the seller or the buyer in relation to the Transaction.

IV. Reasoning

The Beneficiaries are "governmental bodies" as they are entities created under the laws of the State of [REDACTED] to carry out a public function. The State Treasurer of the State of [REDACTED]

[REDACTED]

