

**CITY OF CHICAGO  
DEPARTMENT OF FINANCE  
PARKING LOT AND GARAGE OPERATIONS TAX RULING**

Pursuant to Sections 2-32-080, 2-32-096, 3-4-030, 3-4-150 and 4-236-030 of the Municipal Code of Chicago, the City of Chicago hereby adopts and promulgates Parking Lot and Garage Operations Tax Amended Ruling #1, effective July 1, 2021.

*Reshma Soni*

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Reshma Soni, Comptroller

Parking Lot and Garage Operations Tax Amended Ruling #1

Effective Date: July 1, 2021

Subject: Residential Parking Exemption

Purpose of Ruling

1. The purpose of this ruling is to provide guidance on how the Department of Finance ("Department") will apply the residential parking exemption ("Residential Exemption") to the Chicago Parking Lot and Garage Operations Tax ("Parking Tax"), Chapter 4-236 of the Municipal Code of Chicago ("Code").

Pertinent Ordinance Provisions

2. Code Section 4-236-020(a) states:

Except as otherwise provided by this Section 4-236-020, there is imposed upon the use and privilege of parking a motor vehicle in or upon any parking lot or garage in the City of Chicago a tax at the applicable rate set forth in subsection (d) [which includes rates for daily, weekly and monthly parking].

3. Code Section 4-236-020(c) states, in pertinent part:

The tax imposed by this chapter shall not apply to: (i) residential off-street parking of house or apartment tenants or condominiums, wherein an arrangement for such parking is provided in the house or apartment lease or in a separate writing between the landlord and tenant, or if in a condominium between the condominium association and the owner, occupant or guest of a unit, whether the parking charge is payable to the landlord, condominium association, or to the operator of the parking lot or garage ...

Requirements

4. In the case of residential monthly, weekly and daily parking, the exemption is available to any resident of the property on which the lot or garage (hereafter collectively "garage") is located, along with the guests of any such resident.

5. In the case of residential monthly parking, the exemption is also available to a resident of a different property from the one on which the garage is located, but only if (a) the resident has entered into a written agreement for such parking, (b) the resident is on a list of exempt residential monthly parkers that is maintained by the operator of the garage, and (c) the list has been reviewed and approved by the resident's landlord or condominium association. Parking at a garage that is not located within two city blocks of the parker's residence will be presumed not to be residential parking.

6. As in the case of all exemptions, sufficient books and records (hard copy or electronic) must be kept establishing that the exemption applies. At a minimum, this means books and records containing the following information: (i) the resident's name, address, and unit number; (ii) the date(s) on which the parking took place or is to take place; (iii) the amount charged for the parking; and (iv) the amount that a non-exempt parker would have paid for comparable parking in that garage. Such books and records may be in the form of written agreements, pre-paid coupons, tickets, or electronic equivalents.

7. In addition to the requirements set forth in paragraphs 4 through 6 above, the total amount charged for the residential parking (including taxes) must be less than the total amount charged for any comparable public parking at that garage (including taxes) by an amount equal to or greater than the Chicago Parking Tax that applies to the comparable public parking. This requirement is consistent with the intent of the Residential Exemption, which is to benefit residents and their guests, rather than the owners and operators of garages. It is also consistent with Code Section 3-4-280, which provides that "[a]ny tax required to be collected by any tax collector pursuant to any tax ordinance and any tax in fact collected by a tax collector shall be collected in trust for the city and shall constitute a debt owed by the tax collector to the city."

#### Application of Ruling

8. This ruling does not apply to periods prior to the effective date of the ruling.