



City of Chicago



O2018-6079

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 7/25/2018

Sponsor(s): Sadlowski Garza (10)

Type: Ordinance

Title: Amendment of ordinance which creates a Personal Property Lease Transaction Tax exemption for Tower International consistant with Illinois tax policy on manufacturing equipment and assembly with enterprise zones

Committee(s) Assignment: Committee on Finance

ORDINANCE

WHEREAS, the City of Chicago is a home rule unit of government pursuant to the 1970 Illinois Constitution, Article VII, Section 6(a); and

WHEREAS, pursuant to its home rule power, the City of Chicago may exercise any power and perform any function relating to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the Illinois Enterprise Zone Act (the Act) is designed to stimulate economic growth and neighborhood revitalization in economically depressed areas of Illinois through state and local tax incentives, regulatory relief, and improved governmental services; and

WHEREAS, under this Act, the State of Illinois has developed a statutory framework for identifying and certifying enterprise zones; and

WHEREAS, the Act provides a variety of incentives for businesses in enterprise zones including exemption from the Illinois Retailers Occupation Tax, the utility tax, the telecommunications excise tax, the state sales tax on manufacturing and assembly equipment, and an investment tax credit; and

WHEREAS, the state's exemption for equipment used in manufacturing and assembly was intended to stimulate business, industrial growth, and retention within enterprise zones; and

WHEREAS, the Act grants Chicago authority to extend additional tax incentives for business enterprises within enterprise zones via municipal ordinance; and

WHEREAS, the Chicago City Council has provided a variety of incentives for businesses in these statutorily defined areas including an exemption from the Home Rule Municipal Retailers Occupation Tax, an exemption from the Chicago Real Property Transfer Tax, and modified zoning and building code procedures; and

WHEREAS, Tower International is a global designer of structural components and assembly used by major automotive vehicle manufacturers; and

WHEREAS, Tower International currently has thirty-seven (37) facilities in twelve (12) countries in North and South America, Europe and Asia; and

WHEREAS, Tower International's Chicago facility is located at 12350 S. Avenue O, within the enterprise zone; and

WHEREAS, creating a Personal Property Lease Transaction Tax exemption for Tower International would be consistent with Illinois tax policy on manufacturing equipment and assembly within enterprise zones; and

WHEREAS, the continual encouragement, development, growth, and expansion of the manufacturing community within the City of Chicago maintains the healthy economy and vibrant communities that the members of this City Council are charged with sustaining; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. For the purpose of this ordinance, the following terms shall have the following meanings:

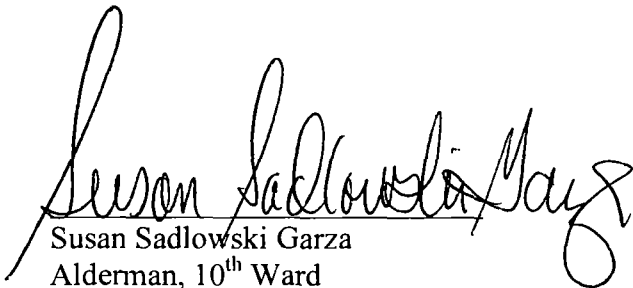
“Manufacturing Machinery and Equipment” means only machinery and equipment used in manufacturing or assembling tangible personal property for sale or lease and shall have the same meaning as that of the Illinois Administrative Code Section 130.330.

“Primary Use” means greater than fifty percent use and shall have the same meaning as that of the Illinois Administrative Code Section 130.330.

SECTION 2. Tower International shall be exempt from any city tax on lease, rental or use of manufacturing machinery and equipment whose primary use is the manufacturing or assembling of tangible personal property for wholesale, retail sale, or lease in enterprise zone, as defined by Section 16-12-020 of the Municipal Code of Chicago. Tower International shall pay to the lessors the tax on all lease payments made during the city’s annual tax year and then submit an application to the department of finance for refund for up to a maximum of sixty (60) consecutive months on an annual basis. The exemption provided for in this ordinance shall not apply to any taxes paid prior to the effective date of this ordinance.

SECTION 3. The exemption provided for in this ordinance shall terminate without further action by the City Council if at any time Tower International fails to retain, in the sole determination of the Department of Finance, a minimum of one-hundred (100) full-time jobs and invest at least \$75 million as a part of a development or improvement plan at the facility located at 12350 S. Avenue O.

SECTION 4. This ordinance shall be in full force and effect thirty (30) days after its passage and approval.



Susan Sadlowski Garza
Alderman, 10th Ward