



# City of Chicago



O2020-5772

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 11/23/2020

**Sponsor(s):** Thompson (11)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Title 3 by adding new Chapter 3-46A entitled "Chicago Ground Delivery Tax Ordinance"

**Committee(s) Assignment:** Committee on Finance

## ORDINANCE

**SECTION 1:** Title 3 of the Municipal Code of Chicago is hereby amended by inserting a new Chapter 3-46A, as follows:

### **CHAPTER 3-46A CHICAGO GROUND DELIVERY TAX**

#### **3-46A-010 Title.**

This chapter shall be known and may be cited as the "Chicago Ground Delivery Tax Ordinance". The tax imposed by this chapter shall be known as the "Chicago Ground Delivery Tax".

#### **3-46A-020 Definitions.**

When any of the following words or terms are used in this chapter, they shall have the meaning set forth below:

"Department" means the Department of Finance.

"Ground delivery service" means the delivery of one or more packages of tangible personal property sold at retail that is consummated by shipment of such property to a location within the City by means of ground transportation by a motor vehicle without regard to the physical location of the seller or point of origin of such property, including, but not limited to, shipment via an express company or first-party shipment by the seller of such property.

#### **3-46A-030 Tax imposed.**

(a) Pursuant to the authority granted by Section 11-42-6 of the Illinois Municipal Code, as amended, 65 ILCS § 5/11-42-6, a tax is imposed on all ground delivery services at the rate of (i) \$1.25 per ground delivery service for ground delivery services of items with a cumulative weight of 50 pounds or less and (ii) \$2.50 per ground delivery service for ground delivery services of items with a cumulative weight of more than 50 pounds. The incidence of the tax and the obligation to pay the tax are on the purchaser of the tangible personal property being delivered, and the seller of such property shall collect and remit such tax.

(b) The tax imposed by this chapter shall not apply to ground delivery services:

(1) for the delivery of packages containing solely prescription and nonprescription medicines, drugs, medical appliances including, but not limited to, tampons and sanitary napkins, and insulin, urine testing materials, syringes and needles used by diabetics; and

(2) for the delivery of packages containing prepared food for immediate human consumption which is to be consumed off the premises where it is sold, when delivered by the seller or their agent.

(c) Nothing in this chapter shall be construed to impose the tax on any person or activity which, under the constitutions of the United States or the State of Illinois, may not be taxed by the City.

### **3-46A-040 Collection and remittance responsibilities.**

It shall be the duty of each seller of tangible personal property sold at retail and delivered to a location within the City by ground delivery service to collect the tax imposed by this chapter from the purchaser of such property and to remit the tax to the Department in accordance with Section 3-46A-050 of this chapter. In the event that a seller required to collect and remit taxes under this chapter fails to collect or remit the tax required to be collected by this chapter, the seller shall be liable to the City for the amount of such tax, plus any attendant penalties and interest.

### **3-46A-050 Paying, collecting, and remitting the tax and filing returns.**

On or before the last day of each calendar month, every person required to collect and remit the tax imposed by this chapter shall file with the Department a tax return and pay or remit all applicable tax attributable to the immediately preceding calendar month. The tax collector shall file the required return on a form prescribed by the Comptroller and shall provide such information as the Comptroller may reasonably require.

### **3-46A-060 Books and records.**

Every person required to collect and remit the ground delivery tax imposed by this chapter shall keep accurate books and records of its business or activity, including original source documents and books of entry denoting the transaction that gave rise, or may have given rise, to the tax liability or any exemption that may be claimed, and the days that such ground delivery services were provided. All such books and records shall be kept in the English language and, at all times during business hours of the day, shall be subject to and available for inspection by the Department.

### **3-46A-070 Rules and regulations.**

The Comptroller is authorized to adopt, promulgate, and enforce rules and regulations pertaining to the application, administration, and enforcement of the tax imposed by this chapter. To maximize enforcement of the tax imposed by this chapter, the Comptroller may consult and work in conjunction with the Commissioner of Business Affairs and Consumer Protection.

### **3-46A-080 Application of Uniform Revenue Procedures Ordinance.**

Whenever not inconsistent with the provisions of this chapter, the provisions of the Uniform Revenue Procedures Ordinance, Chapter 3-4 of this Code, as amended, shall apply to and supplement this chapter.

**SECTION 2.** This ordinance shall take effect on January 1, 2021.

  
PATRICK D. THOMPSON  
Alderman, 11th Ward