

ORDINANCE

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

SECTION 1. Chapter 3-33 of the Municipal Code of the City of Chicago is hereby amended by adding new language boldfaced in italics and underlined and deleting language by strikethrough as follows:

(Omitted text unaffected by this ordinance)

3-33-30 Tax imposed.

- A. Except as otherwise provided in this chapter, a tax is imposed upon the privilege of transferring title to, or beneficial interest in, real property located in the city, whether or not the agreement or contract providing for the transfer is entered into the city. The tax shall be at the rate of \$3.75 per \$500.00 of the transfer price **or most recent valuation assessed by the Cook County Assessor, whichever is greater**, or fraction thereof, of the real property or the beneficial interest in real property.

(Omitted text unaffected by this ordinance)

- F. Pursuant to Section 8-3-19 of the Illinois Municipal Code, 65 ILCS 5/8-3-19, as amended, a supplemental tax at the rate of \$1.50 per \$500.00 of the transfer price, **or most recent valuation assessed by the Cook County Assessor, whichever is greater**, or fraction thereof, shall be imposed on transfers taking place on or after April 1, 2008, for the purpose of providing financial assistance to the Chicago Transit Authority (for purposes of this section, "C.T.A."). This supplemental tax shall be referred to as the "C.T.A. portion" of the Chicago Real Property Transfer Tax, and the tax imposed pursuant to subsection A of this section shall be referred to as the "City portion". The C.T.A. portion shall be paid by the transferor: provided that if the transferor is exempt from the tax solely by operation of state or federal law, then the incidence of the C.T.A. portion of the tax and obligation to pay the C.T.A. portion of the tax shall be upon the purchaser, grantee, assignee or other transferee; and provided further that it shall be unlawful for the transferee to accept a deed or other instrument of transfer if the C.T.A. portion of the tax is owed and has not been paid. If the C.T.A. portion of the tax is owed and has not been paid at the time it is due, then the transferor and transferee shall be jointly and severally liable for the tax, plus interest and penalties, and the real property that is the subject of the transfer shall be subject to the lien provided in Section 3-33-120. Pursuant to an intergovernmental agreement to be entered into between the department of revenue (for purposes of this section, "Department") and the C.T.A., the Department shall administer and enforce the C.T.A. portion of the tax. The intergovernmental agreement shall include a reasonable collection fee for the Department, which may be based on a percentage of the gross collections of the C.T.A. portion

of the tax. Except as otherwise provided herein, all terms of this chapter and any rules and regulations issued by the Department shall apply to the C.T.A. portion of the tax in the same manner as they apply to the City portion. All amounts of the C.T.A. portion collected, after fees for costs of collection, shall be provided to the C.T.A., as promptly as practicable upon their receipt, as provided in the intergovernmental agreement. The Department shall file a report with the Illinois Department of Revenue each month certifying the amount paid to the C.T.A. in the previous month from the proceeds of the supplemental tax.

G. This transfer tax shall be paid by the grantee when the following real estate transfers are registered:

- 1) Transfers in which the deed is a tax deed.**
- 2) Transfers in which the deed is a deed of partition; provided, however, that if a party receives a share greater than its undivided interest in the real property, then such party shall be liable for tax computed upon any consideration paid for the excess.**
- 3) Transfers between a subsidiary corporation and its parent or between subsidiary corporations of a common parent either pursuant to a plan of merger or consolidation or pursuant to an agreement providing for the sale of substantially all of the seller's assets.**
- 4) Transfers from a subsidiary corporation to its parent for no consideration other than the cancellation or surrender of the subsidiary's stock and transfers from a parent corporation to its subsidiary for no consideration other than the issuance or delivery to the parent of the subsidiary's stock, and**
- 5) Transfers in which the deed or other instrument of transfer is issued to the mortgagee or secured creditor pursuant to a mortgage or security interest foreclosure proceeding or sale or pursuant to a transfer in lieu of foreclosure.**

(Omitted text unaffected by this ordinance)

3-33-060 Exempt transfers.

Subject to the requirement contained in subsection 3-33-070(C) of this chapter, the following transfers are exempt from the tax or the specified portion of the tax imposed by this chapter:

- A. Transfers of real property made prior to January 1, 1974 where the deed was recorded after that date, or assignments of beneficial interest in real property dated prior to July 19,**

1985 where the assignment was delivered on or after July 19, 1985;

- B. Transfers involving real property acquired by or from any governmental body, or acquired by with respect to the City portion, or acquired from with respect to the C.T.A. portion, any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or acquired by any international organization not subject to local taxes under applicable law;
- C. Transfers in which the deed, assignment or other instrument of transfer secures debt or other obligations;
- D. Transfers in which the deed, assignment or other instrument of transfer, without additional consideration, confirms, corrects, modifies, or supplements a deed, assignment or other instrument of transfer previously recorded or delivered;
- E. Transfers in which the transfer price is less than \$500.00;
- ~~F.~~ Transfers in which the deed is a tax deed;
- ~~G.~~F. Transfers in which the deed, assignment or other instrument of transfer releases property which secures debt or other obligations;
- ~~H.~~ Transfers in which the deed is a deed of partition; provided, however, that if a party receives a share greater than its undivided interest in the real property, then such party shall be liable for tax computed upon any consideration paid for the excess;
- ~~I.~~ Transfers between a subsidiary corporation and its parent or between subsidiary corporations of a common parent either pursuant to a plan of merger or consolidation or pursuant to an agreement providing for the sale of substantially all of the seller's assets;
- ~~J.~~ Transfers from a subsidiary corporation to its parent for no consideration other than the cancellation or surrender of the subsidiary's stock and transfers from a parent corporation to its subsidiary for no consideration other than the issuance or delivery to the parent of the subsidiary's stock;
- ~~K.~~G. Transfers made pursuant to a confirmed plan of reorganization as provided under Section 1146(c) of Chapter 11 of the United States Bankruptcy Code of 1978, as amended;
- ~~L.~~H. Transfers of title to, or beneficial interest in, real property used primarily for commercial or industrial purposes located

in an enterprise zone, as defined in Chapter 16-12 of this Code;

~~M.~~ Transfers in which the deed or other instrument of transfer is issued to the mortgagee or secured creditor pursuant to a mortgage or security interest foreclosure proceeding or sale or pursuant to a transfer in lieu of foreclosure; and

~~N.I.~~ Transfers in which the transferee is a participant in the Illinois Home Ownership Made Easy Program (H.O.M.E.), authorized under the Illinois Home Ownership Made Easy Act, 310 ILCS 55/1.

~~O.J.~~ Transfers in which the transferee is a person 65 years of age or older who demonstrates, by proof acceptable to the Chicago Tax Assistance Center, (1) that he will occupy the property as his principal dwelling place for at least one year following the transfer, and (2) that the transfer price is \$250,000.00 or less; provided, that this exemption applies only to the C.T.A. portion of the tax; and provided further, that this exemption shall be administered in the form of a refund for which the transferee desiring the refund shall apply to the Chicago Tax Assistance Center within three years following the transfer.

(Omitted text unaffected by this ordinance)

SECTION 2. This ordinance shall be in full force and effect 60 days after its passage and publication.



DEPARTMENT OF FINANCE
P02008 ~~100000~~

REFERRED TO COMMITTEE ON FINANCE
DEC 17 2008
<i>Myra D. Dale</i> City Clerk City of Chicago