



# informational

## Bulletin

David Harris, Director

## New Tax Requirements for Operators of Parking Areas, Spaces, or Garages

### *To: Owners and Operators of Parking Areas, Spaces, or Garages*

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

**For information or forms**  
Visit our website at:  
[tax.illinois.gov](http://tax.illinois.gov)

Register and file your return online at:  
[mytax.illinois.gov](http://mytax.illinois.gov)

For tax or filing questions, call us at:  
217 782-5906

For registration questions, call us at:  
217 785-3707

Call our TDD  
(telecommunications device  
for the deaf) at:  
1 800 544-5304

Illinois Public Act (P.A.) 101-0031, enacted the Parking Excise Tax Act (35 ILCS 525/10-1 et seq.). Effective January 1, 2020, operators of parking spaces, parking areas, and garages will be required to collect and remit Parking Excise Tax based on the purchase price (rent) paid by the purchaser to park a motor vehicle, recreational vehicle, or other self-propelled vehicle in the parking space.\*

### Who is an operator under the Parking Excise Tax Act?

An operator

- engages in the business of renting, for a charge, parking spaces for the purpose of parking or storing motor vehicles, recreational vehicles, or other self-propelled vehicles, even if the charge is to another parking operator, or
- provides parking valet services for a charge, or
- collects from the purchaser the charge for parking (*i.e.*, acts as a facilitator or aggregator).

### An operator is not required to collect the tax in the following circumstances:

- The operator is engaged in the business of renting three or fewer parking spaces throughout Illinois.
- The parking space is owned and operated by the federal government and its instrumentalities, the State of Illinois, State universities created by statute, and units of local government (*e.g.*, counties, municipalities, townships, and special districts that possess an active exemption number from the Illinois Department of Revenue (IDOR)).
- The parking space is provided for residential off-street parking for home, apartment tenants, or condominium occupants, and is covered by the lease or separate agreement between the landlord and tenant.
- The parking space is provided for hospital employees and is owned and operated by the hospital for which they work.

See the regulations (86 Ill. Admin. Code Part 195) for additional examples.

\* Within this bulletin, the terms “parking space,” “parking area,” and “garage” are collectively referred to as “parking space.”

### **What is the tax rate?**

The Parking Excise Tax is imposed at the rate of:

- 6% of the purchase price for a parking space paid for on an hourly, daily, or weekly basis; or
- 9% of the purchase price for a parking space paid for on a monthly or annual basis.

### **If I am an operator, do I need to register?**

Yes. You must register with IDOR to collect and remit Parking Excise Tax.

**Note:** It is a Class A misdemeanor to operate a parking area or garage without a license.

### **How do I register for the Parking Excise Tax?**

Register with IDOR electronically using MyTax Illinois, available at [mytax.illinois.gov](http://mytax.illinois.gov):

- If you do not have a MyTax Illinois account, click on “Registration,” and then “Register a New Business” and complete Form REG-1, Illinois Business Registration Application. After you receive an email that your application has been processed, allow one business day before signing up for a MyTax Illinois account. To create a MyTax Illinois account, return to MyTax Illinois, click the “Sign up Now” button, and then submit the requested information.
- Corporations, S-Corps, Partnerships, or LLC organization types with active MyTax Illinois accounts can register for new tax types, or licenses, by simply logging into their MyTax Illinois account and clicking on “Register for New Tax Accounts” to complete the registration.
- Sole Proprietorships can register electronically by selecting “Registration” in the upper right corner of the MyTax Illinois home page and then selecting “Register a New Business.”

The Parking Excise Tax Act requires that registration for Parking Excise Tax be completed electronically. See 35 ILCS 525/10-30(a). You cannot complete a paper Form REG-1 to register for this tax.

Contact our Central Registration Division at 217 785-3707 for information or assistance with registering your business.

### **How do I file and pay the tax due?**

Form PE-100, Parking Excise Tax Return, is used to report and pay the tax. Form PE-100 must be filed and the tax must be paid electronically at [mytax.illinois.gov](http://mytax.illinois.gov). You may request a waiver of the electronic filing requirement if it is a hardship to file a return or pay the tax electronically.

Operators may take a cost of collection discount if the return is filed and the total tax due is paid by the due date. The discount is 1.75% (0.0175) of the tax due, not to exceed \$1,000 per month.

### **When is the return and payment due?**

Form PE-100 is due, along with any payment you owe, on or before the last day of each calendar month following the end of your reporting period.

**The return is due monthly.** Exception: Operators of parking areas for 14 days or less in a calendar year qualify for an annual filing frequency.

New registrants will receive a letter informing them of their filing status (*i.e.*, monthly or annual).

### **I pay for parking spaces in a garage and then rent the parking spaces to my customers. Must I pay tax to the other operator on this purchase?**

Yes. The tax is on the purchase price of the parking spaces even if the purchase is by an operator. However, you may be able to take a credit on your return for the tax previously paid to the other parking operator for the parking space. See the instructions for Line 9 of Form PE-100.

### **Where can I find more information?**

See the Parking Excise Tax regulations (86 Ill. Admin. Code Part 195). Visit our website at [tax.illinois.gov](http://tax.illinois.gov) for more information and updates.