

ST 26-0004-GIL 01/23/2026 PARKING EXCISE TAX

Separately stated charges that are not related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage would not be subject to the tax. 35 ILCS 525; 86 Ill. Adm. Code 195. (This is a GIL).

January 23, 2026

NAME

EMAIL

Dear NAME:

This letter is in response to your letter dated January 1, 2026, in which you requested information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at <https://tax.illinois.gov/> to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I am reaching out as I was referred by Taxpayer Assistance to contact legal regarding our question for taxability for Illinois Parking Excise Tax.

My question is in regard to charges for violations or tickets that we charge to parkers who park somewhere they cannot such as near a fire hydrant, too close to a crosswalk, etc. Would these charges be applicable to the IL Parking Excise Tax as the charge is **not** for the privilege to park in a spot, garage, or lot? It should also be noted that these are not collected on behalf of a municipality and are entirely related to privately owned lots, garages, etc.

I appreciate any help you can provide with answering our question as we wish to ensure we are compliant in working with Illinois.

NAME

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DEPARTMENT'S RESPONSE:

The Illinois Parking Excise Tax Act (the "Act") imposes a Parking Excise Tax (the "Tax") "on the privilege of using in this State a parking space in a parking area or garage". 86 Ill. Adm. Code 195.100. The 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; and 9% of the purchase price for a parking space paid for on a monthly or annual basis. 86 Ill. Adm. Code 195.110(a).

"Purchase price" means the consideration paid for the purchase of a parking space in a parking area or garage, valued in money, whether received in money or otherwise, including cash, gift cards, credits, and property, and shall be determined without any deduction on account of the cost of materials used, labor or service costs, or any other expense whatsoever. "Purchase price" includes any and all charges that the recipient pays related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage, including but not limited to any and all related markups, service fees, convenience fees, facilitation fees, cancellation fees, overtime fees, or other such charges, regardless of terminology.

86 Ill. Adm. Code 195.105.

Purchase price does not include "optional, separately stated charges not for the use or privilege of using a parking space in the parking area or garage." 86 Ill. Adm. Code 195.105. Generally, separately stated charges for violations of parking rules that are not related to or incidental to obtaining the use or privilege of using a parking space in a parking area or garage would not be subject to the tax.

I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department's Taxpayer Information Division at 800-732-8866.

Very truly yours,

Edward Mroczkowski
Associate Counsel

EM:slc