

■ Metropolitan Pier and Exposition Authority Hotel Tax

TO: Hotel, Motel, and Bed-and-Breakfast Businesses

We have modified Form RHM-1, Hotel Operators' Occupation Tax Return, to allow Chicago businesses to report and pay the Metropolitan Pier and Exposition Authority (MPEA) Hotel Tax. The form has been simplified in order to make it easier to use (see the sample on the reverse side).

If you have businesses at more than one site, you must also file Form RHM-7, Multiple-Site Schedule, with Form RHM-1.

TO: Hotel, Motel, and Bed-and-Breakfast Businesses in Chicago

For the leasing, letting, or renting of rooms on or after October 1, 1992, you must collect and pay the 2.5 percent Metropolitan Pier and Exposition Authority (MPEA) Hotel Tax. You report and pay this tax on Form RHM-1, Hotel Operators' Occupation Tax Return.

It may be necessary to adjust your cash registers and any computer programs you use so that, beginning October 1, 1992, you will be collecting and paying the correct amounts.

What is the effective rate for state-administered taxes?

For transactions on or after October 1, 1992, the effective rate on the return is 11.9 percent (.119). This rate includes all taxes we administer:

- the state tax (6 percent of 94 percent of net receipts),
- the Chicago Municipal Tax (1 percent of 99 percent of net receipts),
- the Illinois Sports Facilities Tax (2 percent of 98 percent of net receipts), and
- the 2.5 percent Metropolitan Pier and Exposition Authority (MPEA) Hotel Tax.

This rate does not include the 3 percent City of Chicago Tax, which is not paid on the RHM-1 return, but is deductible on Line 2 of the return (see the sample on the reverse side).

The rates appearing on your return have been adjusted to account for the different tax bases used.

How do I figure the tax?

To figure the tax, first figure your total receipts on Line 1 on your return. For example, if you charge \$100 for the rental of a room, you can figure the total amount you should collect from your customer by multiplying \$100 by 11.9 percent (.119), the effective tax rate for state-administered taxes. Then multiply \$100 by 3 percent (.03), the City of Chicago Tax. Figure your total receipts by adding your room charge, the state-administered taxes, and the City of Chicago tax.

\$100.00	room charge
11.90	state-administered taxes (\$100 X .119)
+ 3.00	City of Chicago tax (\$100 X .03)
\$114.90	total receipts

To complete the rest of the return, follow the instructions on the face of the return and consult the instructions on the back.

Questions?

If you have questions or need more information, please call or write our Miscellaneous Taxes Section. Our telephone numbers and address are printed at the bottom of this bulletin.



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