



VILLAGE OF SCHAUMBURG

MUNICIPAL CENTER / 101 SCHAUMBURG COURT / SCHAUMBURG, IL 60193-1899
847.895.4500 / TDD 847.923.4435 / FAX 847.895.7806 / WWW.CI.SCHAUMBURG.IL.US

TO: POTENTIAL AMUSEMENT OPERATORS

RE: AMUSEMENT SURCHARGE

Dear Sir or Madam:

On June 22, 2004 the Village of Schaumburg Board of Trustees adopted Ordinance No. 04-94, establishing a five percent (5.0%) amusement surcharge effective October 1, 2004. The amusement surcharge is to be assessed against the patrons of amusements within the Village of Schaumburg and collected by the owners or operators of amusements as defined in the ordinance.

Enclosed for your reference is a copy of Ordinance No. 04-94. This document not only legally establishes the surcharge, but it also describes the types of activities that are subject to the surcharge and provides information regarding implementation and administration of the surcharge. Following are some of the key provisions of the ordinance you should be aware of:

- Amusement is defined as any event, activity, exhibition, performance, presentation, or show for entertainment purposes held in the Village.
- The surcharge is assessed against any patron or customer who pays a fee or charge to enjoy the amusement.
- The surcharge is five percent (5%) of the fee or charge paid by the patron or customer, and is to be collected by the owner, manager or operator of the amusement.
- The effective date of the surcharge is October 1, 2004. Fees or charges paid by patrons before October 1, 2004 for events occurring on or after October 1 would not be subject to the surcharge.
- Amusements offered by religious, educational, charitable, not-for-profits and governments are generally exempt from the surcharge. The exception is the Village of Schaumburg, whose amusements are subject to the surcharge.
- When a customer pays a single fee entitling him or her to both an amusement and food and/or drink, the business must allocate the fee between two categories using a reasonable method and collect the surcharge on the portion of the fee which is not assessed the Village's food and beverage tax.
- Any property owner who permits another person to conduct an amusement on his property is required to provide written notification of the Village's amusement surcharge to the amusement operator.
- Individuals and businesses required to collect the amusement surcharge are required to remit the collections to the Village on a monthly basis no later than the last day of the calendar month succeeding the month of collection.
- Individuals and businesses collecting the amusement surcharge are allowed to retain 1% of the surcharges collected as compensation for services rendered.

- Failure to comply with the ordinance may result in prosecution, requests for injunctive relief, and suspension or revocation of any business license.
- Failure to file the tax return and remit the surcharges collected by the due date will result in penalties and interest as outlined in the Village Code.

In the event you are required by ordinance to collect the amusement surcharge, I am enclosing a copy of the surcharge return that must be submitted each month along with the payment of the collected surcharges. The form can be photocopied for future use. A copy of the form can also be obtained by visiting the Village's web site at www.villageofschaumburg.com.

Should you have any questions regarding this matter, please do not hesitate to contact Dawn Soderstrom at 847.923.4532. The Village of Schaumburg thanks you in advance for your cooperation.

Sincerely,

Lisa Happ
Director of Finance

PUBLICATION OF:

ORDINANCE NO. 04-094

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE
SCHAUMBURG MUNICIPAL CODE ESTABLISHING AN AMUSEMENT
SURCHARGE**

ADOPTED: JUNE 22, 2004

**PUBLISHED IN PAMPHLET FORM PURSUANT TO AUTHORIZATION AND
DIRECTION OF THE PRESIDENT AND BOARD OF TRUSTEES OF THE
VILLAGE OF SCHAUMBURG ON JUNE 23, 2004**

ORDINANCE NO. 04-094

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE SCHAUMBURG MUNICIPAL CODE
ESTABLISHING AN AMUSEMENT SURCHARGE**

WHEREAS, the Village of Schaumburg, (hereafter the "Village") is a home rule municipality and pursuant to the Illinois Constitution, Article VII, Section 6, has certain powers which it is exercising; and

WHEREAS, the Village may license, tax, and regulate athletic contests, carnivals, and coin operated amusement devices pursuant to 65 ILCS divisions 54 and 55; and

WHEREAS, in exercise of its home-rule authority, the Village, through its President and Board of Trustees, has found and determined that the establishment of a privilege tax now known as a surcharge on a charge or fee for amusements within the Village is in the best interest of the Village's citizens.

NOW THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF SCHAUMBURG, COOK AND DUPAGE COUNTIES, ILLINOIS as follows:

SECTION 1: That the findings contained in the preamble to this Ordinance are found to be true and correct and are hereby adopted as part of this ordinance.

SECTION 2: That Title 3, Chapter 36 of the Schaumburg Municipal Code is hereby amended by adding the following:

AMUSEMENT SURCHARGE

Section 36.140. Definitions. For purposes of this Subchapter of the Municipal Code, the following terms, phrases, and words shall have the meanings given to them in this section.

- A. **AMUSEMENT.** Means any event, activity, exhibition, performance, presentation, or show for entertainment purposes which is exhibited or staged in the Village, including, but not limited to, the following:
1. Any comedic, theatrical, dramatic, musical, opera, or spectator performance or production, or similar live or recorded entertainment;
 2. Any show, antique or flower show, speech or lecture;
 3. Any exhibition of art or handicrafts or products;
 4. Any poultry or animal show, animal act, circus, or rodeo;
 5. Any athletic contest, sport, game or similar exhibition such as boxing, wrestling, skating, dancing, swimming, racing or riding of animals or vehicles, baseball, basketball, softball, football, tennis, golf, hockey, track and field games, bowling, billiard and pool games, laser tag, miniature golf, and rounds or games of golf;
 6. Any motion picture film projection and motion picture show;
 7. Any amusement devices such as virtual reality games, video games, internet café games, pinball machines, and arcade games.
- B. **ADMISSION FEE OR CHARGE.** Means any fee or charge made or received for admission to any Amusement, whether or not represented by a ticket or admission stub or receipt of any kind. An admission fee or charge includes, but is not limited to, all fees or charges for seats, chairs, tables, benches, space to stand or sit, Special Seating Areas, tents, structures, booths, or other similar accommodations made as afore-described for which there is a fee or charge.
- C. **AMUSEMENT PATRON.** Means:
1. Any person who is admitted to any Amusement in the Village for which an Admission Fee or Charge is imposed;

2. Any person who purchases or otherwise acquires a ticket or pass of any kind from a place other than the location where such ticket or pass is purchased or acquired for admission to any Amusement within the Village;
3. Any person who pays a fee or charge to participate in any Amusement.

- D. **AMUSEMENT OWNER.** Means with respect to the owner of an Amusement, any person who has an ownership or leasehold interest in such amusement or any person who has a proprietary interest in the amusement so as to entitle such a person to all or a portion of the proceeds from the operation, conduct or presentation of such amusement, excluding proceeds from non-amusement services and from sales of tangible personal property.
- E. **PROPERTY OWNER.** Means with respect to the owner of a place where an amusement is being held, any person with ownership or leasehold interest in a building, structure, vehicle, boat, area or other place who presents, conducts or operates an amusement in such a place or who allows, by agreement or otherwise, another person to present, conduct or operate an amusement in such a place.
- F. **PERSON.** Means any natural individual, firm, society, foundation, institution, partnership, limited liability company, association, joint stock company, joint venture, public or private corporation, receiver, executor, trustee or other representative appointed by the order of any court, or any other entity recognized by law.
- G. **SPECIAL SEATING AREA.** Means an enclosed or substantially enclosed apartment-style room containing or making available amenities for the exclusive use of the patrons thereof, whether denominated as luxury or super suites or skyboxes or by other similar terms. Such amenities may include, but are not necessarily limited to, television (including closed-circuit capacity), bathroom, refrigerator, telephone service, storage, sink, living room or lounge furniture, special spectator seating, food, heat, air conditioning, and parking.

Section 36.141. Surcharge Imposed.

- A. An amusement surcharge of five percent (5%) on the Admission Fee or Charge is imposed upon every Amusement Patron for the privilege of admission to any Amusement in the Village.
- B. The surcharge imposed by Subsection A shall not apply to the following persons or privileges of witnessing, viewing or participating in any Amusement:
- (1) The privilege of witnessing any stock show or business show that is not open to the general public; or
 - (2) The privilege of witnessing or participating in any Amusement sponsored or conducted by and the proceeds of which, after payment of reasonable expenses, inure exclusively to the benefit of:
 - a. Religious, educational and charitable institutions, societies or organizations, subject to the limitations specified in subsection (C) of this section; or
 - b. Not-for-profit entities duly qualified under the laws of the State of Illinois, subject to the limitations specified in subsection (C) of this section; or
 - c. Governmental entities, subject to the limitations specified in subsection (C) of this section.
- C. The exemptions as listed in subparagraph (b) shall not apply to any musical, comedic, theatrical or dramatic performance put on by the Village of Schaumburg. Any such performance shall be subject to the surcharge imposed by Subsection A.

- D. The surcharge imposed by Subsection A shall not apply to admission fees or charges paid to: (a) tennis clubs or athletic clubs, (b) Golf courses for rounds of play, or (c) to retail establishments for the rental of video tapes, DVDs or game cartridges.
- E. Where a patron pays a single fee or charge for admission to any Amusement and said fee also entitles the patron of the amusement to food and/or beverage, the owner shall account to the Village for the division of the charges and collect the amusement surcharge on that portion assessed to amusement and collect the Village's food and beverage tax on the portion assessed to food and beverage. In the event any other taxes or fees are charged by the Village, a similar accounting shall occur.

Section 36.142. Payment and Collection of Surcharge. The owner, manager, licensee or operator of each amusement shall bear, jointly and severally, the duty to collect the surcharge from each amusement patron. Every person required to collect the surcharge levied by this Subchapter shall secure said surcharge from the amusement patron at the time that he collects the admissions fee or charge for the amusement or rental. The surcharge shall be paid to the person required to collect it as trustee for and on behalf of the Village.

Section 36.143. Property Owner Duty or Obligation. Every property owner who allows by agreement or otherwise another person to present, conduct or operate an amusement upon his property or property to which he has a leasehold interest shall provide the amusement owner of written notification of the Village of Schaumburg amusement surcharge.

Section 36.144. Administration and Enforcement. The Director of Finance, or his designee, is designated as the administration and enforcement officer of the Amusement Surcharge hereby imposed on behalf of the Village. It shall be the responsibility and duty of the Director of Finance or his designee to collect all amounts due the Village from owners, managers, licensees, and operators of amusements in the Village.

A sworn monthly amusement surcharge return, prepared on a calendar month basis, shall be filed by each owner, manager, licensee or operator of each amusement in the Village with the Director of Finance on forms prescribed or approved by him, showing the gross receipts from the Amusement, the number of admission tickets sold and issued, and the amount of Amusement Surcharge collected. Said surcharge returns and payment of the Amusement Surcharge collected during the reporting period, are to be received by the Village no later than the last day of the calendar month succeeding the end of the monthly filing period.

The owner, manager, licensee or operator of each Amusement in the Village filing an amusement surcharge return and remitting collected Amusement Surcharges may retain an amount of money equal to one percent (1.0%) of the surcharge due as compensation for services rendered in the collection and payment of such surcharge.

The Director of Finance, or his designee, may enter the premises of any Amusement during its normal business hours, upon reasonable notice, for the purpose of inspection and examination of its books and records for the proper administration of this surcharge, and for the enforcement of the collection of the surcharge hereby imposed. It is unlawful for any person to prevent, hinder, or interfere with the Director of Finance or his designee in the discharge of his duties hereunder. It shall be the duty of every owner, manager, licensee or operator to keep accurate and complete books of records, containing all information necessary for the collection of the surcharge herein imposed, to which the Director of Finance or his designee shall have full access, which records shall include a daily sheet showing; (a) the number of tickets of admission issued during the twenty four (24) hour period, and (b) the actual amusement surcharge receipts collected for the date in question. In the event that the inspection and examination by the Director of Finance, or his designee, discloses a discrepancy in excess of five percent (5%) from the information furnished by the owner, manager, licensee or operator of an amusement, the cost of said inspection and examination shall be borne by said person.

Section 36.145. Suit for Collection; Revocation of License. Whenever any person shall fail to pay any surcharges herein provided, or when any owner, manager, licensee or operator of an amusement shall fail to collect the surcharge hereby imposed from any person who has the ultimate liability for payment of the same, the Village Attorney, or his designee, shall, upon request of the Director of Finance, bring or cause to be brought an action to enforce the payment of said surcharge on behalf of the Village in any court of competent jurisdiction. If the Village Manager, or his designee, after a hearing held by or for him, shall find that any amusement owner, manager, licensee

or operator has willfully evaded his responsibility to collect the surcharge imposed by this Section, he may suspend or revoke all Village licenses, including but not limited to any business licenses. Hearings to suspend or revoke a Village license shall be held as provided in Village ordinances creating and administering such licenses or as may be established by the corporate authorities from time to time. Any such suspension or conviction resulting from such hearing shall not relieve or discharge any civil liability for non-payment of the surcharge due.

Section 36.146. Interest and Penalties. In the event of any failure by any amusement owner, manager, licensee or operator to file the required Amusement Surcharge return or collect and pay the Amusement Surcharge on or before the due date, the interest and penalty provisions of Chapter 36 of the Village Code shall be applied.

Section 36.147. Proceeds of Surcharge. All proceeds resulting from the imposition of this surcharge, including penalties and interest, shall be paid into the treasury of the Village.

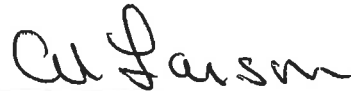
SECTION 3: That this ordinance shall be in full force and effect, after passage, approval and publication as required by law on October 1, 2004.

AYES: (6) TRUSTEES: RILEY, SULKIVAN, DUNHAM, DAILLY, CONNELLY, CURCIO

NAYS: (0) NONE

ABSENT: (0) NONE

PASSED AND APPROVED this 22nd day of June, 2004.



Village President

ATTEST:



Village Clerk

APPROVED:



Assistant Village Attorney

S:/legal/ord/amend amusement tax



VILLAGE OF SCHAUMBURG

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AMUSEMENT SURCHARGE TAX ACKNOWLEDGMENT FORM

I hereby acknowledge receipt of the Village of Schaumburg Amusement Surcharge Tax New Business Packet which contains the following documents:

- Amusement surcharge tax return form
- Copy of the amusement surcharge tax ordinance
- Copy of the tax rights and responsibilities ordinance

Name of Business: _____

Address of Business: _____

Name of Owner or Officer: _____

Telephone Number: _____

Signature of Company Representative Receiving the New Business Packet: _____ Date



**VILLAGE OF SCHAUMBURG
AMUSEMENT SURCHARGE RETURN**
(Revised 7-04)

Calendar Month and Year for Which Surcharge Return Applies: _____

Business Name: _____

Business Address: _____

COMPUTATION OF AMUSEMENT SURCHARGE LIABILITY

Number of Admission Tickets: Issued _____ Sold _____

- 1. Gross Receipts from Admission Fees and Charges (Include surcharge).... \$ _____
- 2. Deductions (Use Worksheet on Page 2)..... \$ _____
- 3. Taxable Receipts (Line 1 minus line 2)..... \$ _____
- 4. Amusement Surcharge Liability (Line 3 multiplied by 5.0%)..... \$ _____
- 5. Surcharge Collection Fee Due Amusement Owner (1.0% of line 4)..... \$ _____
- 6. Total Amusement Surcharge Due Village (Line 4 minus line 5)..... \$ _____
- 7. Penalties and Interest if Paid After the Due Date:
 - A. Late Filing Penalty (line 6 multiplied by 5.0%)..... \$ _____
 - B. Late Payment Penalty (line 6 multiplied by 5.0%)..... \$ _____
 - C. Interest (1.0% of line 6 per month or fraction thereof)..... \$ _____
 - D. Total Penalties and Interest Due (Sum of Lines 7A, 7B and 7C)..... \$ _____
- 8. Total Due the Village of Schaumburg (add lines 6 and 7D)..... \$ _____

I hereby certify that this tax return is accurate and correct to the best of my knowledge.

Signature of Individual Preparing Return Telephone # Date

Due Date: The completed surcharge return and payment of the surcharge liability must be received by the Village or postmarked on or before the last day of the calendar month succeeding the end of the monthly filing period.

**The completed tax return and payment should be mailed to:
Village of Schaumburg
Finance Department - Amusement Surcharge
101 Schaumburg Court
Schaumburg, IL 60193**

Any questions regarding the amusement surcharge should be directed to Dawn Soderstrom at 847-923-4532.

(See Reverse Side)



**VILLAGE OF SCHAUMBURG
AMUSEMENT SURCHARGE RETURN**
(Revised 7-04)

WORKSHEET FOR LINE 2

Calendar Month for Which Surcharge Return Applies: _____

Business Name: _____

Business Address: _____

Deductions from Gross Receipts in Arriving at Taxable Receipts:

1. Taxes Collected from Patrons and Included in Gross Receipts (Page 1, Line 1)
 - A. Village Amusement Surcharge..... \$ _____
 - B. Cook County Amusement Tax..... \$ _____
 - C. Other Taxes (Please describe)..... \$ _____
2. Portion of Admission Fees and Charges Reported on Page 1, Line 1 Subject to the Village's Food & Beverage Tax..... \$ _____
3. Other Deductions (Please Explain in Space Below)..... \$ _____
4. Total Deductions from Gross Receipts (Sum of Lines 1A, 1B, 1C, 2 and 3).
Write this amount on Line 2 on Page 1..... \$ _____

Explanation of Other Deductions:
