



Richard S. Wolters  
Illinois Department of Revenue  
Legal Services Office  
101 West Jefferson  
Springfield IL 62794

Re: Parking Excise Tax First Notice of Proposed Rules, 86 Ill. Adm. Cd. 195

Dear Mr. Wolters,

On behalf of the national Self Storage Association and the Illinois Self Storage Association, please see the below comments and requests for clarification regarding the Parking Excise Tax First Notice of Proposed Rules, which were published in Volume 43, Issue 46 of the Illinois Register on November 15, 2019.

- Is there an intention to exclude the parking of “airplanes, boats and watercraft” from the parking excise tax? Regarding relevant language, Proposed Admin Rule Section 195.100(a) applies the tax to parking “motor vehicles, recreational vehicles, or other self-propelled vehicles,” which mirrors Section 10-10(a) of the Act; the Admin Rule Section 195.105 definition of self-propelled vehicle then includes “a vehicle propelled by its own engine or motor” but not “airplanes, boats and watercraft.”
- Is apportioning a self-storage unit size or rental amount necessary when a unit is used to store both a vehicle and other property? In Proposed Admin Rule Section 195.110(h), there is concern regarding the difficulty of apportioning the unit size or rental amount when a unit is used to store both a vehicle and other property; when a vehicle is stored in an enclosed self-storage unit, it is common for the unit to contain other items. Can clarification be provided such as adding the word “exclusively” after the word “used” in the fourth line of Section 195.110(h) and again after the word “used” in the fifth line from the bottom?
- Is there an intention for the tax to be charged only if the motor vehicle, recreational vehicle, or other self-propelled vehicle is “in a condition ready for use”? The quoted language comes from the definition of “parking area or garage” in Proposed Admin Rule Section 195.100.
- At the end of the definition of “parking area or garage” in Proposed Admin Rule Section 195.105, it states that the definition includes “a self-storage unit capable of storing a motor vehicle, recreational vehicle or self-propelled vehicle when the lessor of the storage unit has knowledge of the contents of the storage unit at the time the storage unit is leased.” It is requested that the Department modify this language to align with Proposed Admin Rule Section 195.110(h), and as a result, have the Proposed Admin Rule Section 195.105 definition of “parking area or garage” state instead that “a self-storage unit capable of storing a motor vehicle, recreational vehicle or self-propelled vehicle when the lessor of the storage unit *knows at the time the lease is agreed upon or executed that the storage unit will be used for parking a*

*motor vehicle, recreational vehicle or self-propelled vehicle.*” (note: italicized language highlights modifications being requested)

- The definition of “purchase price” excludes “the isolated or occasional sale of parking spaces subject to tax under this Act by a person who does not hold himself out as being engaged (or who does not habitually engage) in selling of parking spaces[.]” This exclusion also appears in Proposed Admin Rule Section 195.115(g). This exclusion would appear to apply to many self-storage businesses that have enclosed storage units. In many cases, the enclosed storage units are neither regularly used for nor are they advertised for the parking of vehicles. Can clarification be provided as to when this exclusion may be used by self-storage businesses?
- How, if at all, is the tax to be applied to storage units (whether enclosed or outdoor) that were leased prior to January 1, 2020 and are used for storage of a vehicle as of January 1, 2020? Given the difficulties of auditing every storage unit, can the final regulations reflect that the tax applies only to leases first entered on or after January 1, 2020?
- Are self-storage businesses required to register and file returns even before they have a taxable transaction? For example, the storage business does not have any outdoor parking spaces and does not have any enclosed units where vehicles are parked as of January 1, 2020. Is that business required to register and file returns because it could hypothetically have a taxable transaction in the future? Can clarification be provided as to when such a business is required to register and file returns?
- Proposed Admin Rule Section 195.130 refers to keeping records and books. Current administrative rules and related Department guidance recommends retention for three and one-half years, subject to exceptions for tax liability reviews initiated by the Department, see 86 IAC 130.815(c). Do businesses subject to Proposed Admin Rule Section 195.130 need to retain records and books in a similar manner, as currently addressed in 86 IAC 130.815?

Thank you for your consideration.

Sincerely,



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