



City of Chicago
Rahm Emanuel, Mayor

Department of Law

Stephen R. Patton
Corporation Counsel

Revenue Litigation Division
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November 9, 2015

Marilyn A. Wethekam
Horwood Marcus & Berk
500 West Madison Street, Suite 3700
Chicago, IL 60661
mwethekam@hmblaw.com

Re: [REDACTED]

Dear Marilyn:

Your letter of November 4, 2015 (copy attached) requests a private letter ruling concerning application of the Chicago Personal Property Lease Transaction Tax ("Transaction Tax"), Chapter 3-32 of the Chicago Municipal Code ("Code"), to the subscription charges that [REDACTED] or "Company") customers pay for access to databases containing [REDACTED] research and analysis, including the [REDACTED]

[REDACTED] contends that the subscription charges are not taxable because customers are paying for the Company's proprietary analytics and not for use of its databases. Based on the representations in your letter as well as those made during our August 4, 2015 meeting, the City of Chicago has determined that because the subscription charges are predominately (if not exclusively) for [REDACTED]'s proprietary research and analysis, those charges are not subject to Transaction Tax notwithstanding that the information is accessed on-line from [REDACTED]'s databases. The Chicago Department of Finance ("DOF") will close its Transaction Tax audit of [REDACTED]. Assuming [REDACTED] continues to offer the same or a substantially similar product, [REDACTED] will not be held liable for Transaction Tax on charges paid on and after [REDACTED].

Nothing in this letter limits the Department's right to audit or otherwise investigate [REDACTED] with respect to Transaction Tax. This ruling will cease to be binding following a pertinent change in [REDACTED]'s product, such that customers are no longer predominately paying for the Company's research and analysis, or if there is a change in the statutory law, case law, or rules.

Very truly yours,

Weston Hanscom
Deputy Corporation Counsel
Revenue Litigation Division
Department of Law

cc: Joel Flores, Department of Finance



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November 4, 2015

BY EMAIL (whanscom@cityofchicago.org)
and CERTIFIED MAIL RETURN RECEIPT REQUESTED
(7015 1730 0001 3559 7514)

Weston Hanscom, Esq.
30 North LaSalle Street
Room 1000
Chicago, Illinois 60602

Re: [REDACTED]
[REDACTED]
Request for Ruling

Dear Wes:

[REDACTED] or "the Company") requests the City of Chicago Department of Finance ("Department") to issue a ruling stating that the Company's services sold to its subscribers are not subject to the Personal Property Lease Transaction Tax ("Lease Transaction Tax"). The Department conducted an audit of [REDACTED] to determine the Company's compliance with various City taxes including the Lease Transaction Tax¹. The parties met on [REDACTED] to discuss the [REDACTED] business operations and the application of the [REDACTED] & [REDACTED]

The Lease Transaction Tax is imposed on the lease or rental in the City of personal property, or the privilege of using the personal property in the City. Code Section 3-32-030A. As a result of the discussions, the detailed explanation of the business operations and the documentation provided at the [REDACTED] meeting it was established that [REDACTED] subscribers are not paying for access to a data base. Rather, the subscribers are paying for [REDACTED] services, e.g. the utilization of [REDACTED] proprietary analytics to make recommendations for and to assist in making business decisions. The Department agreed based on the demonstration of the [REDACTED]

¹ [REDACTED]
[REDACTED]
[REDACTED]

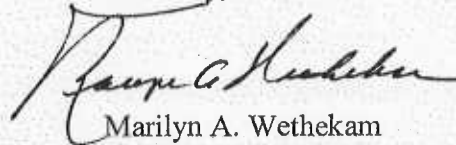
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November 4, 2015
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subscription services that [REDACTED] established that such subscription services are not subject to the Lease Transaction Tax because the Company is neither leasing nor renting personal property in the city as those terms are defined in Code Section 3-32-0201. Therefore, [REDACTED] requests the Department issue a ruling that it has been determined by the Department that [REDACTED] subscription services are not subject to the Lease Transaction Tax. [REDACTED]

[REDACTED] Finally, the Department agrees that because [REDACTED] is not leasing personal property as defined in the Lease Transaction Tax the Company will not be required to collect the Lease Transaction Tax on the subscription services offered to the Company's subscribers that are used in the City of Chicago for periods subsequent to [REDACTED].

On behalf of [REDACTED] I would like to thank you for your assistance in resolving this matter. Should you have any questions please give me a call.

Sincerely,



Marilyn A. Wethekam

MAW:lv

cc: [REDACTED]