

Chicago, IL: Tourism Improvement District Hotel Implementation Guidelines

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April 2026

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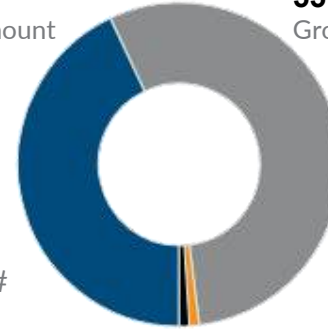
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224 TIDs

Most Recent US TID:
Chicago, IL
(March 2026)

43%
Fixed \$ Amount

55%
Gross Revenue %



1%
Fixed-rate
based on #
of hotel
rooms

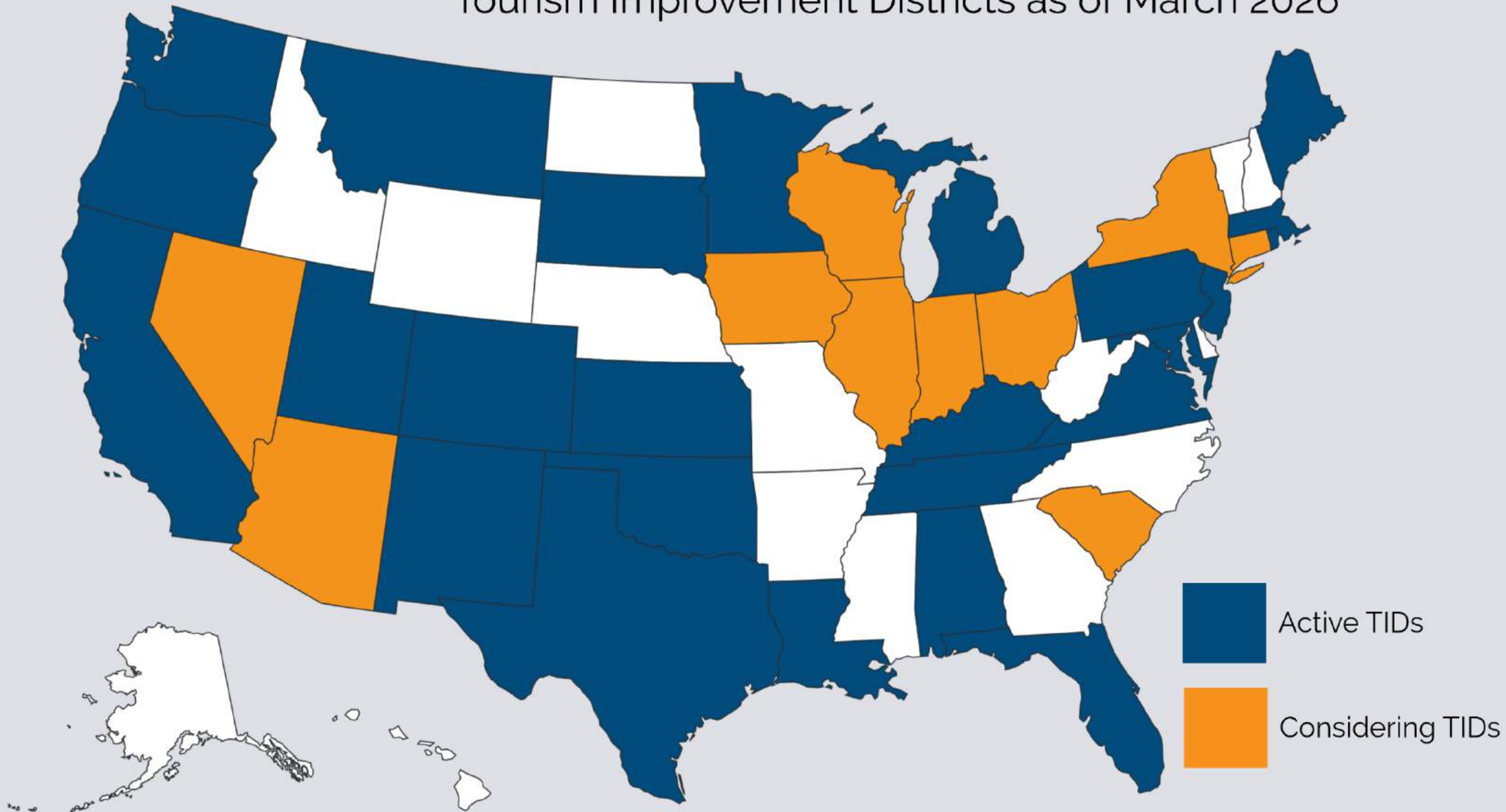
1%
Fixed-rate per
occupied room
per night that
varies by ADR

ANNUAL AMOUNT RAISED

Low	\$10,000
High	\$47,200,000
Total	\$724,800,000

26 STATES

Tourism Improvement Districts as of March 2026





Key Elements of a TID Plan

Services

The Chicago Tourism Improvement District (CTID) is designed to provide benefits directly to payors by enhancing tourism through funding supplemental services. Sales, marketing, advertising, public relations, & international marketing programs are aimed at increasing awareness and demand for room night sales at hotels paying the transaction charge

Budget

Using an assessment of 1.5% of gross short-term sleeping room rental revenue on hotels with 100 or more rooms within the TID boundary. Expenditures typically starting around or after the Fourth Quarter to acquire funds to implement

Management

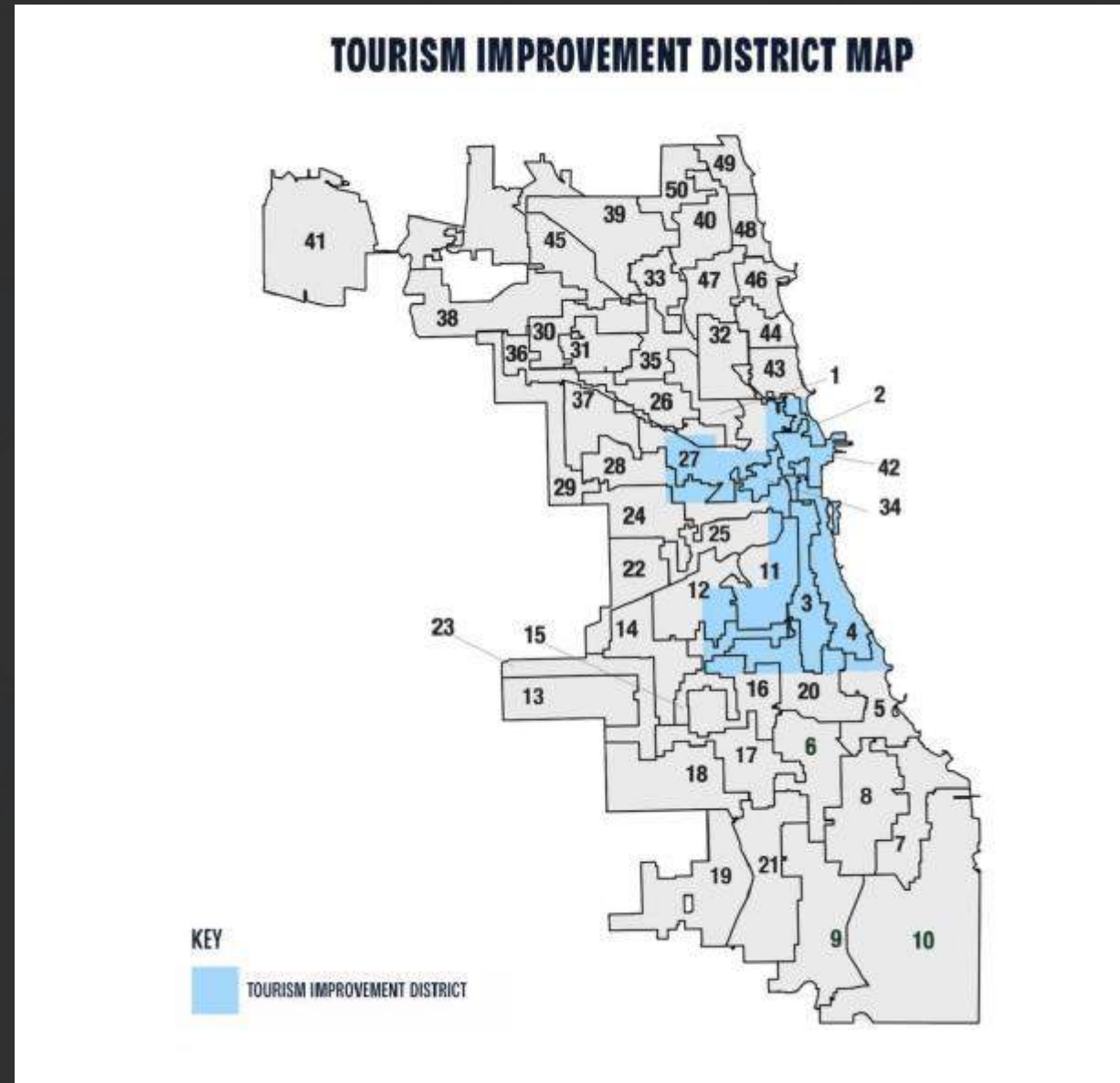
Choose Chicago will serve as the local tourism and convention bureau for the CTID. CC is a nonprofit corporation and will create a committee of 9 to 11 hotel owners (or their designees) subject to the transaction charge. The committee will be responsible for managing funds raised by the CTID and fulfilling the obligations of this Plan, with representation from various hotel sizes and locations. .

Term

The initial term of the district started May 1st, 2026 through April 30th, 2031.

TID Boundary

The CTID includes all hotels, existing and in the future, available for public occupancy with 100 rooms or more located within the following zip codes located within the City of Chicago (City): 60601, 60602, 60603, 60604, 60605, 60606, 60607, 60609, 60610, 60611, 60612, 60615, 60616, 60653, 60654, and 60661



Hotel TID Implementation

Who Manages the TID?

Governance Committee Formation

- Under the Board of Choose Chicago, the CTID Committee must be composed of at least 9 and no more than 11 hotel owners (or their designees) who are subject to the transaction charge, and is responsible for overseeing the use of CTID funds, adopting governing rules and an annual budget, and ensuring the District Plan is carried out.
- Once approved, the committee will be responsible for developing all governance documents, including:
 - Term durations
 - Original budget
 - Additional governing policies and procedures

Hotel TID Implementation



Updating your Property Management System (PMS)

- Upon TID formation, your PMS must be updated to collect the CTID Transaction Charge
- If you're not able to update the area to contact your system's expert or corporate office

Third Parties & System updates

- Update TPAs, GDS, and franchise websites
- Contact your regional third party and franchise representative to ensure the CTID Transaction Charge is added and to verify remittance.
- Do not forget to update registration cards, automated emails, etc.

Hotel TID Implementation

What room nights are exempt from the TID Assessment?

- Stays of 30+ consecutive days (permanent occupants)
- Stays exempt under Illinois Admin Code Section 480.101, (HOOT)

Is the fee taxable?

The CTID Transaction Charge is not taxable.

Hotel TID Implementation

EXAMPLE of how the CTID Transaction Charge may be collected:

The CTID Transaction Charge is a direct obligation of the hotel, but the hotel may choose to pass the fee on to the guest. If passed on to the guest, the fee must be disclosed as “CTID Transaction Charge” on the guest receipt.

Folio Breakdown in this example-
Gross Total = Base room revenue + CTID (1.5%) + Applicable Taxes (17.4%) = **18.9%** above base room revenue.

HOTEL ANYWHERE

CHICAGO, ILLINOIS

GUEST Jane Smith	CONFIRMATION HA-0512-0847
CHECK-IN / OUT May 12-14, 2026	NIGHTS 2

ROOM CHARGES

Room Rate (2 nights × \$100.00)	\$200.00
Destination Fee (2 nights × \$25.00)	\$50.00

Base Room Revenue **\$250.00**

CTID TRANSACTION CHARGE

CTID Transaction Charge (1.5%) **\$3.75**

APPLICABLE TAXES

State Tax — HOOT (6.0%)	\$15.00
City Taxes (~7.5%)	\$18.75
Regional — MPEA + ISFT (~4.5%)	\$11.25
County Tax (~1.375%)	\$3.44

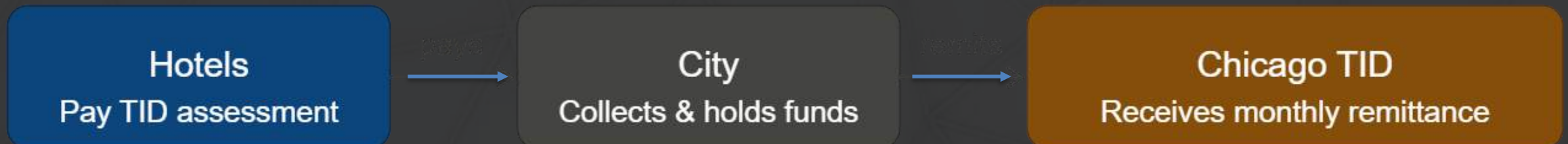
Total Taxes (~17.4%) **\$48.44**

Gross Total **\$302.19**

Hotel TID Implementation

How the CTID Transaction Charge is collected

- The transaction charge is paid monthly to the City of Chicago in the same time and manner as Hotel Tax payments and can be paid online using Chicago Business Direct. (Due the 15th each month) (Filed under 7520T Code in addition to existing 7520 hotel tax)
- The charge on non-exempt stays is effective May 1, 2026.



Hotel TID Implementation

Finalized Contracts and Prepaid Guests

- Contracts that were finalized or prepaid before TID formation will be subject to the CTID Transaction Charge effective May 1, 2026. This will include advanced payment bookings. These stays will require the hotel to charge upon check-in
- The hotel can choose to remit the CTID Transaction Charge and not pass it on to the guest

Tax & Fees Inclusive Rates

- The CTID Transaction Charge will become a part of the tax and fees inclusive rate
- Some TID hotels have collected the variance due upon arrival from the guest

Group Contracts

- Group contracts may be subject to the CTID Transaction Charge at the discretion of the hotel
- Most contracts contain clauses allowing for the addition of applicable taxes and fees, allowing the hotel flexibility to collect the fee

Guest Refuses to Pay CTID Transaction Charge

- If a guest refuses to pay the CTID Transaction Charge, the property/hotel is ultimately responsible for remitting the CTID Transaction Charge to the City of Chicago.

Hotel TID Implementation

Overlap Stays

- Guests staying on dates prior to the implementation on May 1st, would only be required to pay the CTID Transaction Charge for any stays including and after the May 1st.

Any missed charges after May 1st

- All businesses located within the District are required to collect the CTID Transaction Charge starting on May 1st, if the hotel does not pass this on the guest at this time, the hotel is still responsible for paying the CTID Transaction Charge.

Comp Stays and Reward/Points Stay

- Comp rooms do not have revenue, therefore there is no charge.
- Reward and points-based stays are exempt from the CTID Transaction Charge. The CTID follows the same exemption structure as the Illinois Hotel Operators' Occupation Tax (HOOT), if HOOT is not collected on a stay, the CTID Transaction Charge does not apply either.

Post Formation Questions

Is the CTID assessed on various hotel fees?

Subject to CTID (Lodging-Related):

- Base short-term room rental revenue (<30 days)
- Destination and resort fees (mandatory, room-related)
- Early check-in / late checkout fees
- Mandatory pet fees (condition of occupancy)
- Cancellation, attrition, and no-show fees

NOT Subject to CTID (Non-Lodging / Incidental):

- Food and beverage fees
- Event tickets or admission fees
- Smoking and damage fees
- Sales or rentals of tangible personal property
- State/local tax amounts (HOOT, Chicago Hotel Tax, MPEA, ISFT)
- Reward / complimentary stays (points redemption)
- Flight crew stays of 30+ consecutive days (permanent resident exemption)

Post Formation Questions

Can hotels charge a flat fee instead of the exact 1.5%?

Hotels may use a reasonably estimated flat fee to quote the CTID Transaction Charge through their reservation system. However:

- The 1.5% calculation governs what is owed to the City
- If the flat fee collected is less than 1.5%, the hotel must cover the shortfall
- Any variance, whether under or over, must be reconciled through remittance
- The charge must be disclosed in advance and separately stated from the room rate and other taxes

It is recommended to align system configurations as closely as possible to the percentage-based calculation to minimize reconciliation issues over time.

Post Formation Questions

What happens to the CTID charge if room revenue is refunded?

If room revenue is refunded for guest satisfaction, billing disputes, or other reasons, the associated CTID Transaction Charge should also be adjusted accordingly.

Because the transaction charge is based on charged room revenue, reversing that revenue reduces the corresponding fee owed, similar to how hotel taxes are handled in refund situations.

Key Points:

- Refunded room revenue = reduced CTID obligation
- Hotels should reconcile adjustments in their monthly remittance
- Treatment mirrors existing hotel tax refund procedures

THANK YOU!



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