

**CITY OF CHICAGO
DEPARTMENT OF REVENUE
REAL PROPERTY TRANSFER TAX RULING**

Real Property Transfer Tax Ruling #3
Subject: Transfers in Divorce Situations
Effective date: November 1, 2005

Section 1. Chapter 3-33 of the Chicago Municipal Code (“Code”) imposes a tax upon the privilege of transferring title to, or beneficial interest in, real property located in the corporate limits of the City of Chicago (the “City”). The tax is imposed at a rate of \$3.75 per \$500 of the transfer price. See Code Section 3-33-030.

Section 2. Code Section 3-33-020(H) defines the “transfer price” as “the consideration furnished for the transfer of title to, or beneficial interest in, real property, valued in money, whether paid in money or otherwise, including cash, credits and property, determined without any deduction for mortgages, liens or encumbrances, and specifically including the amount of any indebtedness or obligation canceled or discharged in connection with the transfer.”

Section 3. Where title to, or beneficial interest in, real property is transferred from one spouse to the other in a divorce or legal separation, it shall be presumed that the consideration furnished for the transfer is equal to the fair market value of the interest in the property conveyed, and the taxpayer shall have the burden of proving, with books, records and other documentary evidence, that the presumption is incorrect.

Section 4. This Ruling is a restatement of current law, and the effective date of this Ruling has no effect on the enforcement of the Chicago Real Estate Transfer Tax for periods prior to the effective date.