



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

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**CITY COUNCIL APPROVES ORDINANCE TO EDUCATE AND PROTECT CHICAGOANS AGAINST
UNFAIR TAX PREPARERS**

*New Ordinance Installs Safeguards Against Predatory Tax Preparers
City Will Investigate and Prosecute Tax Preparation Businesses for Deceptive Practices*

Tax payers in Chicago will now have recourse against unscrupulous tax preparers after the City Council passed Mayor Rahm Emanuel's Tax Preparer Ordinance. Every tax season unsuspecting Chicagoans fall victim to tax preparation firms that use hidden charges and recommend unnecessary and expensive tax refund products like Refund Anticipation Loans (RALS) or Refund Anticipation Checks (RACS) to make a profit at the expense of citizens' deserved tax refunds.

In many cases, victims of these predatory practices are taxpayers eligible for the Earned-Income Tax Credit (EITC), a critical economic support that allows hardworking low-income families to keep more of what they earn. Nearly 70 percent of these families use a commercial tax preparer to claim the EITC.

"This ordinance puts these businesses on notice that the city will prosecute for misleading the customers they serve", said Mayor Rahm Emanuel, "our consumers deserve fair treatment and transparent accounting by their tax preparers."

The ordinance mandates that tax preparers:

- Offer a detailed explanation of their available services.
- Prior to rendering any service must provide the price of each offered service, any and all fees, and an estimate of the total charge based upon the services chosen for purchase.
- Inform customers of the reasonable period of time they can expect to wait for a refund.
- Tell customers they have the right NOT to utilize an alternative settlement product.
- Certify that they provided a clear explanation and the required disclosures.
- Inform customers of their right file a complaint.



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Complaints will be investigated by the Department of Business Affairs and Consumer Protection (BACP). According to BACP Commissioner Rosemary Krimbel, “ This ordinance puts tax preparers who take advantage of their customers on notice, bad business practices will not be tolerated in the City of Chicago.” Businesses found in violation of the ordinance can incur fines up to \$750 per act. BACP Investigators will enforce in the field and will issue a consumer alert to inform taxpayers where they can file a complaint if they believe they’re a victim of predatory practices.

Consumers with a complaint can call 311 or write to the Department of Business Affairs and Consumer Protection at 121 N. LaSalle St. Room #805 Chicago, IL 60602.

The new ordinance will be effective immediately.

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