

**VOLUNTARY DISCLOSURE AGREEMENT
BETWEEN
THE CITY OF CHICAGO
AND**

INFORMATION BULLETIN OFFER ¶1

IRIS ACCOUNT # _____

This Voluntary Disclosure Agreement ("Agreement") is made and entered into effective as of this _____, 2016, by and between the City of Chicago (the "City") and _____ (the "Taxpayer"), located at _____.

RECITALS

WHEREAS, the City, through its Department of Finance ("Department") issued an Information Bulletin ("Bulletin") on November 19, 2015, that provides guidance with respect to Personal Property Lease Transaction Tax Ruling #12 (Ruling #12) issued by the Department on June 9, 2015;

WHEREAS, Ruling #12 and the Bulletin concerned the application of the Personal Property Lease Transaction Tax ("Lease Tax"), chapter 3-32 of the Municipal Code of Chicago, to nonpossessory computer leases;

WHEREAS, the Bulletin included the following offer:

Any provider or customer that files a voluntary disclosure application by January 1, 2016, and that qualifies for the City's standard voluntary disclosure program (e.g., has not received a written notice of tax audit or tax investigation) will receive the following terms, provided that it comes into compliance with the Lease Tax Ordinance and Ruling #12 by January 1, 2016 (or such later date that the Department may agree to for good cause):

1. As to charges for nonpossessory computer leases that qualified for Exemption 11 under the Department's interpretation of the exemption before the issuance of Ruling #12, no liability for Tax, interest or penalties based on those charges for

any periods ending before January 1, 2016.

2. As to charges for other nonpossessory computer leases (i.e., charges for nonpossessory computer leases that do not meet the requirements of paragraph 1 above), payment of Tax for the period of January 1, 2015 through December 31, 2015 (one year), and no liability for interest or penalties.
3. As to any other taxes owed (in other words, Lease Tax based on leases other than nonpossessory computer leases, or taxes other than Lease Tax), the terms of the City's standard voluntary disclosure program will apply. Thus, for those other tax liabilities, penalties will be waived, and there will be no more than four years of liability for tax and interest.

WHEREAS, the Taxpayer has notified the Department that it wishes to accept the Department's offer as to charges described in paragraph 1 of the Department's offer, quoted above ("Category 1");

WHEREAS, the Taxpayer has submitted a completed Tax Registration Form that registers the Taxpayer with the Department to collect and remit (hereafter collectively "collect") and/or pay, as appropriate, all applicable Chicago taxes for which it is liable;

WHEREAS, the Taxpayer warrants that it is not the subject of any audit or other investigation by the Department, or that the Department has expressly waived that limitation;

WHEREAS, the Taxpayer warrants that its liability for the Lease Tax ("Tax Liability") being disclosed in this Agreement is not the subject of any audit or other investigation by the Department including any audit or other investigation by the Department involving a person or entity which was involved with the Taxpayer in a bulk sale of assets (as defined in section 3-4-140 of the Code), or that the Department has expressly waived that limitation;

WHEREAS, the City and the Department are administratively inconvenienced by the Taxpayer's voluntary disclosure of its Tax Liability; and

WHEREAS, the City stands to derive substantial revenue that otherwise might not have been collected without the Taxpayer's voluntary disclosure;

NOW, THEREFORE, the City and the Taxpayer hereby agree as follows:

1. The foregoing recitals are hereby incorporated herein and made an express part of this Agreement.

2. The Taxpayer will begin to collect and/or pay, as appropriate, the Lease Tax on its Category 1 nonpossessory computer lease charges beginning January 1, 2016.

3. The Department will not assess the Taxpayer for any possible Lease Tax that may have accrued for Category 1 charges prior to January 1, 2016; provided, however, that no term of this Agreement is breached and that no material misrepresentation was made to the Department by Taxpayer with respect to its Tax Liability to induce the Department to enter into this Agreement.

4. No provision of this Agreement shall preclude the Department from conducting an audit or other investigation of the Taxpayer, within the appropriate statutory period, with respect to the Taxpayer's Tax Liability for periods beginning January 1, 2016.

5. If the Taxpayer violates any of the provisions of this Agreement, or if pursuant to an audit or other investigation, the Department determines that Taxpayer's charges did not qualify for Category 1 treatment, then paragraphs 3 and 4 shall not apply to Taxpayer, and Taxpayer shall be liable to the City for Lease Tax on those charges for the period of January 1, 2015 through December 31, 2015, plus interest and penalties thereon.

6. This Agreement shall be effective upon execution by the parties to this Agreement and, thereafter, shall be binding upon the City, the Taxpayer, and the Taxpayer's successors and

assigns.

7. Except as otherwise may be provided by law, and as may be required in paragraph 8, the Taxpayer expressly agrees not to disclose any of the terms and conditions of this Agreement to anyone not in the employ of or engaged to represent the Taxpayer without the prior written approval of the City.

8. The persons signing this Agreement certify and warrant that they have the power to enter into and execute this Agreement.

9. This Agreement may be executed in one or more counterparts each of which shall be considered an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

TAXPAYER

By: _____

(Print Name)

(Title)

CITY OF CHICAGO

DEPARTMENT OF FINANCE

By: _____

DEPARTMENT OF LAW

By: _____