

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

Real Property Transfer Tax Ruling #1

Subject: Real Estate Cooperatives

Effective date: June 1, 2004

Original effective date: April 28, 1994

**Section 1.** The Chicago Real Property Transfer Tax Ordinance (the “Ordinance”), Chapter 3-33 of the Chicago Municipal Code (the “Code”), imposes a tax on the privilege of transferring title to or beneficial interest in real property located in the City of Chicago. Code § 3-33-030(A). Section 3-33-020(A) of the Code provides that a beneficial interest in real property includes but is not limited to the beneficial interest in an Illinois land trust, the lessee interest in certain ground leases, and the indirect interest in real property as reflected by the controlling interest in a real estate entity.

**Section 2.** Pursuant to Section 3-33-020(A), an ownership interest in a real estate cooperative constitutes a beneficial interest in real property. See 775 ILCS 5/3-101(A) (defining “real property” to include “interests in real estate cooperatives” for purposes of article 3 of the Illinois Human Rights Act). Therefore, the transfer of a unit in a cooperative (or “co-op”) building is subject to the tax, regardless of the form that the transfer takes – be it sale of stock, transfer of beneficial interest in a land trust or otherwise. Taxability does not require that a controlling interest in a real estate cooperative be transferred. For example, the transfer of a single share of stock in a real estate cooperative is taxable.