



Amusement Tax FAQ

The Village of Hawthorn Woods imposes a 5 percent amusement tax on businesses that charge admission to watch or engage in entertainment or amusement. The tax payment is due to the Village monthly and applies to the admission fee that a business charges, the cost of food and refreshment where any free entertainment is provided, the cost of equipment rental when admission is free, and all automobile parking charges. The tax does not apply to events held at private clubs that are only open to club members.

Q: I own a retail store. Do I have to pay the amusement tax?

A: If you are purely a retail establishment, this tax does not apply to you. But if you hold or host special events where admission is charged or entertainment is provided, the admission cost would fall under the tax. For example, if your business held a fall hayride where tickets were purchased to ride or hosted a petting zoo where admission was charged, that would fall under the tax.

Q: How do I pay the tax?

A: Business owners or event coordinators simply need to fill out the Amusement Tax Registration Form and then mail in payment before the 10th of the month after incurrence along with an Amusement Tax Return.

Q: Where to I get the forms?

A: The forms are available on-line (www.vhw.org) or at Village Hall, 2 Lagoon Drive.

Q: I'm holding an athletic competition where participants must pay to compete. Does the Amusement Tax apply to me?

A: Yes, as long as you are charging admission to compete, you are subject to the tax. One time events, such as golf outings, 5 K races, or cycling events are subject to the Village amusement tax based off of entrance or participation fees.

Q: Are there any exceptions to the tax?

A: Yes. The tax does not apply to any person or group engaging in the business of entertainment where the admission charges are to be used **exclusively** for charitable, educational, or religious purposes. Generally speaking, this exception applies to 501c3 organizations. Please note that non-profit status does not exempt an organization from the tax. For example, Chambers of Commerce (501c6) organizations are subject to the tax.

Q: I have rented out a private club to hold an event that is open to the paying public. Am I exempted from the tax?

A: No. Because your entertainment or amusement event is open to the public, the tax applies to your event.

Q: I do not charge an admission fee per se, but I do charge a fee to use equipment. Does the Amusement Tax apply to my business?

A: Yes. If you do not charge admission, but do charge some kind of rental or equipment fee, the tax would apply to that rental fee.

If you have any additional questions about the Amusement Tax, please contact Chief Financial Officer Kristin Kazenas at 847-847-3590 or kkazenas@vhw.org.