

# WBEZ 91.5

## State rep probes Lollapalooza sales tax

by [Jim DeRogatis](#) | Jan. 29, 2012

Joining Commissioner Bridget Gainer's [initiative examining Lollapalooza's exemption](#) from the Cook County amusement tax, [Illinois Rep. Sara Feigenholtz](#) is pushing the state legislature to probe whether the three-day concert is paying its share of state sales taxes on everything sold in Grant Park.

Although several sources, including Gainer, have said that the massive music festival uses its partnership with the not-for-profit Parkways Foundation to avoid paying the 6.25-percent sales tax, this reporter has not been able to confirm how it receives an exemption. Feigenholtz said on Friday that she intends to get an answer, and to seriously question whether a waiver is warranted.

"The meetings I'm attending these days as a state legislator and the chair of the appropriations committee are pretty daunting," said the nine-term house veteran, who represents Chicago's North Side. "Last year, it was rearranging the deck chairs on the Titanic. This year, it's which side goes down first.

"Like any other balance sheet, before you make that decision, you look around and look for a miracle on the horizon. The miracle is our resources or revenues—other places you can get money from to not sink the ship, or to keep it hanging in there for a few more months or a year. Believe me, I'm a vice-chair of the tourism committee, so I struggle with this. We've attracted a lot of dollars to Chicago for tourism, and I'm happy with that. But with [Lollapalooza], it doesn't seem like the playing field is level."

[Illinois law states that to qualify for an exemption from the sales tax](#), "Your organization must be not-for-profit and organized and operated exclusively for charitable, religious, educational, or governmental purposes." Lollapalooza, which is co-owned by politically well-connected Texas concert promoters C3 Presents and Hollywood talent agency William Morris Endeavor (run by Mayor Rahm Emmanuel's brother, Ari) clearly is a for-profit venture.

Last year, the festival gave Parkways more than \$2 million for park improvements. But its gross revenues were more than \$21 million, and it did not pay the 5-percent city amusement tax, the 1.5-percent county amusement tax, or any fee to rent and close Grant Park for much of the summer.

Last week, as this blog and other reporters raised questions about Lollapalooza's tax exemptions, Parkway's interim director Jay Terry issued a statement to WBEZ that the not-for-profit group "has no opinion" on the subject. Until recently, Parkway was run by Brenda Palm, a favorite of Mayor Daley and his late wife Maggie, who saw her salary jump from \$62,000 a year to more than \$109,000 as the concert enriched Parkway's coffers. Palm now has moved on to become executive director of [Working in the Schools](#).

Feigenholtz planned to meet with Illinois Revenue Director Brian Hamer on Friday, and she has requested a hearing before the revenue committee on Lollapalooza. "We've got laws about revenue and tax confidentiality, but we have to look at this and see what happened. Some people say there was a waiver; I'm going to find out. It would be irresponsible for me to not look under every nook and cranny for resources. And this is just unbelievable.

"When you give somebody a not-for-profit status and exempt them from property or sales taxes, that's huge. To me, this is not about drama. The state needs revenue. The party is over. I'm not into demonizing people. I just want to get the money."