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Chicago's sales tax to hit 9%, highest of major U.S. cities

CHICAGO (AP) — Chicago's sales tax will rise a quarter-percent Friday to 9% for most goods — the highest rate among major U.S. cities.

Some city officials say they fear the hike will cause stores to lose business to suburbs with lower rates.

"It will have a negligible effect on mom-and-pop businesses, but the big-box stores who deal in volume or large purchases could be negatively affected," said Alderman Brian Doherty, whose ward on Chicago's northwest edge borders many suburbs with lower sales tax rates.

According to the Chicago-based Sales Tax Institute, New York City charges 8.375% in sales tax, followed by Los Angeles, Dallas and Houston, which charge 8.25%; San Francisco, 8.5%; Atlanta, 8%; Miami, 7%; Washington, D.C., 5.75%; and Boston, 5%.

Some consumers say they've already been doing their shopping outside the city for expensive items.

"The first choice is always the suburbs," said Vince Srisak, a 30-year-old restaurant owner in Chicago's Hyde Park neighborhood. "When you buy a big amount, you can save \$50."

Others say that's too much trouble. "I'm not going to drive all over the place to save money," said Gwen Hayes of Chicago, who bought a 24-inch TV for \$139.99 — \$152.24 with tax — at a Chicago Best Buy on Tuesday.

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