

**From:** [Michael Nash](#)  
**To:** [Brenda Hall](#)  
**Subject:** Fwd: Parking Excise Tax proposal  
**Date:** Friday, March 14, 2025 3:48:54 PM

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Dr. Michael David Nash, Ph.D.  
Councilmember, Ward 5

Sent from my iPhone

Begin forwarded message:

**From:** Michael Nash <Michael.Nash@normanok.gov>  
**Date:** June 17, 2024 at 16:51:47 CDT  
**To:** \_Council Members <City\_Council\_Members@normanok.gov>, Mayor <Mayor@normanok.gov>, Brenda Hall <Brenda.Hall@normanok.gov>  
**Cc:** Darrel Pyle <Darrel.Pyle@normanok.gov>, Kathryn Walker <Kathryn.Walker@normanok.gov>, Rick Knighton <Rick.Knighton@normanok.gov>, Shaakira Calnick <Shaakira.Calnick@normanok.gov>, Beth Muckala <Beth.Muckala@normanok.gov>, Jane Hudson <Jane.Hudson@normanok.gov>  
**Subject:** Parking Excise Tax proposal

Mayor, Council et al:

I propose we consider the creation of a parking excise tax (alternately termed a parking occupancy tax) to levy on commercial parking services such as parking garages, paid lots, etc. I reached out to Jacob Rosencrants about state-level statutes, and it looks like the state handles parking services the same as hotels in that there is simply sales tax levied but otherwise nothing from the state. In my research, Illinois seems to be the only state that has a state-level parking excise tax. However, municipalities levying a parking excise tax (sometimes referred to as a parking occupancy tax) is extremely common.

I would also like to suggest we think of an exception for game days so that people around the stadium can continue to open their yards for parking. Excepting those properties could be as simple as restricting the application of the levy to parking services operating more than 14 days in a calendar year. Also, situations like parking spaces provided for rentals etc can make things hairy - Illinois has a good list of exceptions that we could reference as a guide.

With the removal of parking minimums, I believe parking garages may become more common. Right now, there aren't many parking garages and not many people use commercial parking services within the city. As time goes on, that will likely change. Now is the best time to put forward this proposal to the people as it won't be relevant to most voters, but as time goes on and it does become

more relevant, it will become far more difficult to get it to pass. This is one of those taxes that may not open a huge revenue stream today, but the City will be glad it exists 50 years from now.

2,194 parking spaces  
Average \$10 per vehicle  
with 20% tax, avg \$2 revenue per vehicle

An example scenario:

Boulder CO has 2,194 parking spaces in parking garages. If there are that many private parking spaces in garages around Norman (n), and we levied a 20% commercial parking tax (R), and if the average ticket was \$10 (C) with average occupancy of the parking garages over the course of a year was 25% (Oy), then that would be about \$400K in revenue.  $r = (n \cdot Oy \cdot 365) \cdot (C \cdot R)$

Another way to look at it is the maximum parking potential being \$1.6 million at 100% occupancy, and the final revenue scales by the actual annual average garage occupancy rate city-wide.

OU has a combined 2,500 spaces across three parking facilities on Jenkins, Asp and Elm. Assuming the same average ticket of \$10, and 20% tax, and 20% occupancy, we'd be looking at a stream of \$365,000 per year. Granted, that 20% may even be optimistic since those garages are dead empty over the summer. However, it's a stream that didn't exist before.

Furthermore, and this is absolutely a point of discussion, but I propose we consider dedicating that stream to a homeless services fund. I understand our services are in a state of flux and a budget would be difficult or impossible to predict, but the way we are drawing from the general fund and others in varied amounts, buying and selling properties, effectively scavenging the City budget and assets to scrounge up each year is irresponsible and unsustainable. Even now, in our consideration of opening an emergency warming shelter, what's our annual budget to operate such a shelter? We all agree a 24 hour shelter would be ideal, and there is this general shared perception that we can't afford it, but that's a false perception because the reality is we don't really have the dedicated budget for any of it. We find it the money every year. We need to start a dedicated budget somewhere, and I propose we consider this new tax a stream to supply it. In theory, once we get the facilities established and services in place then we'll be at cruising altitude and the costs will be predictable.

Places that have implemented a parking excise tax:

- Cities and their rates:

- Chicago, Illinois: Chicago imposes a parking tax of 22% on daily parking during weekdays, and 20% on weekends, weekly, and monthly parking. Valet services are also taxed at 20% (in addition to state parking excise tax)
- Pittsburgh, Pennsylvania: Pittsburgh imposes a parking tax of 37.5% on parking transactions.
- Philadelphia, Pennsylvania: Philadelphia has a parking tax rate of 22.5% on the gross receipts from all parking transactions.
- Seattle, Washington: Seattle's parking tax is 12.5% on commercial parking

transactions within the city.

- New York City, New York: New York City imposes a parking tax of 18.375% on parking, garaging, or storing motor vehicles.

- Other cities with parking taxes that I couldn't get solid rates on:

- San Francisco, California: The city has a parking tax applied to the fee for parking vehicles in garages, lots, and valet services.

- Los Angeles, California: Los Angeles has a **\*\*parking occupancy tax\*\*** imposed on the privilege of parking within the city.

- Boston, Massachusetts: Boston imposes a parking tax on commercial parking facilities.

- Portland, Oregon: Portland charges a tax on parking fees collected by parking facility operators.

- State (only one):

- Illinois imposes a parking excise tax on the privilege of using a parking space in a parking area or garage. The tax rates are 6% for parking paid on an hourly, daily, or weekly basis and 9% for parking paid on a monthly or annual basis

Illinois Administrative Code that limits give exceptions to the parking excise tax:

<https://www.ilga.gov/commission/jcar/admincode/086/086001950001150R.html>

DO NOT REPLY ALL

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Councilmember, Ward 5

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