**Section 195.145 Valet Services**

a) *Persons engaged in the business of providing valet services are subject to the tax imposed by the Act on the purchase price received in connection with their valet parking operations* (Sections 10-40(a) of the Act). It shall be presumed that the consideration paid by a person to an operator of valet parking includes payment for the privilege of using a parking space.

b) A valet service that parks cars on public rights of way without charge is not subject to tax and is not required to collect the tax imposed by this Act. A valet parking operator claiming no tax liability, or claiming a reduced liability, under this subsection shall have the burden of proving to the Department that the parking occurred on the public way for free and not in a parking lot or parking garage.

c) *Tips received by persons parking cars for operators providing valet services are not subject to the tax imposed by the Act if the tips are retained by the person receiving the tip. If the tips are turned over to the valet business, the tips shall be included in the purchase price.* (Section 10-40(c) of the Act)

EXAMPLE: A restaurant provides parking without charge. For the benefit of customers, the owner of the restaurant has employees park the cars for the customers. Customers often tip the employees for parking and returning their cars. The employees get to keep the tips. The tips are not taxable under this Act.

d) *Persons engaged in the business of providing valet services are entitled to take the credit in Section 195.110(c)* (Section 10-40(b) of the Act).