

# Lodging Tax Simplification

**Sales and Use Tax Simplification Task Force**

**July 24, 2024**



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# Local Lodging Tax

- **Counties, local marketing districts, and home rule municipalities can assess lodging tax**
- **Statutory municipalities can assess an occupational or excise tax on lodging**



# Lodging Tax Collection

- **County and local marketing district lodging taxes collected by state**
- **Municipal lodging tax collected locally**





# Lodging Tax Revenue

- **Promote tourism, conferences, conventions**
  - **Support open spaces**
  - **Mitigate visitor impacts on local services**
  - **Housing project – affordable, attainable, workforce**
  - **Economic development**
  - **Childcare programs**
  - **Transit and roads**
  - **Special municipal projects**
  - **General Fund**
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# Previous SUTS Meetings

**Those remitting lodging taxes would like**

- **consolidated list of lodging tax rates**
- **more standardized process for filing local municipal lodging taxes**
- **centralized collection system**



# 2024 Legislation

## Central Location for Information

**HB 24-1050 requires municipalities to file with DOR**

- **a copy of the resolution or ordinance imposing the taxes**
- **rate of lodging tax**
- **types of lodging the tax applies to**
- **number of days after which a stay may be exempt from the tax**
- **amount of tax that may be retained by the collector of the tax in exchange for timely filing**

**DOR to publish information by July 2025**



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# 2024 Legislation (cont)

## Lodging Tax Returns

### **SB24-024 Local Lodging Tax Reporting on Sales Return**

- **Standardizing lodging tax returns**
- **requires local taxing jurisdictions to apply the same standards and reporting requirements to an accommodation intermediary as are applied to a marketplace facilitator that is obligated to collect and remit locally administered sales taxes**
- **local taxing jurisdictions may request that accommodation intermediaries voluntarily share additional information or data**
- **allows local taxing jurisdictions to adopt an ordinance governing the issuance of information or data by accommodation intermediaries or marketplace facilitators for purposes not related to the administration of local taxes**
- **provides that a local taxing jurisdiction can only audit whoever is responsible for remitting the lodging tax, whether it is the marketplace facilitator or marketplace seller**



# **CML Initiated Solutions**

**CML's SUTS Committee is creating standard lodging definitions and a standard lodging tax ordinance**

- **working group developing definitions & ordinance**
- **will seek feedback from statutory municipalities and their attorneys**
- **will seek feedback from industry at appropriate time**





# Recent Summer Activity

**Meeting with interested parties to discuss concerns related to the collection of municipal lodging tax**

- **Marketplace intermediaries**
- **Property management companies**
- **Software developer**

**Continuing these discussions in the coming weeks**



# Industry Feedback

**Those remitting lodging taxes would like**

- ✓ **consolidated list of lodging tax rates**
- ✓ **more standardized process for filing local municipal lodging taxes**
- **centralized collection system**



# Looking Forward

- **Continue development of standard definitions and model ordinance**
- **Support municipalities with submission of information to DOR (HB 24-1050)**



# Questions



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