

HB 2595 -- TRANSIENT GUEST TAX

SPONSOR: McGaugh

This bill authorizes third class cities operating under the city manager form of government to, upon voter approval, levy a tax, not to exceed 5%, on charges for sleeping rooms paid by transient guests of lodging establishments in the city. The proceeds of the tax must be used for the promotion of tourism.

Upon approval of the tax by the voters of the city, the city may adopt one of two methods for collecting and administering the tax. The city may adopt its own rules and regulations for the internal collection of the tax by city officers, or it may enter into an agreement with the Department of Revenue (DOR) for the purpose of collecting the tax.

If the city enters an agreement with DOR, it will establish a fund for the deposit of revenues derived from the tax from which the city may disburse the necessary funds. Such city may collect a penalty of 1% and interest not over 2% per month on unpaid taxes that are deemed delinquent 30 days after the last day of each quarter.

The bill requires a measure repealing the tax to be approved by voters in order to become effective.