

CHAPTER 23

ROOM TAX

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23.01 – IMPOSITION OF ROOM TAX

- (1) Pursuant to Wis. Stats. § 66.75, a tax is hereby imposed on the privilege and service of furnishing, at retail, rooms or lodging to transients by hotel keepers, motel operators, short term rental owners, and other persons furnishing accommodations that are available to the public, regardless of whether membership is required for the use of the accommodations. Such tax shall be at the rate of five percent (5%) of the Gross Receipts from such retail furnishing of rooms or lodgings. Such tax shall not be subject to the selective sales tax imposed by Wis. Stats. § 77.52(2)(a)1.
- (2) **Registration Required.** Every person furnishing rooms or lodging under subsection (1) above, shall register each business entity with the Clerk-Treasurer. The registration shall be signed by the owner if a sole proprietor and, if not a sole proprietor, by the person authorized to act on behalf of such sellers.
- (3) **Issuance of Certificate of Registration.** After compliance with subsection (2) above by the applicant, the Clerk-Treasurer shall grant and issue to each applicant a separate certificate for each business entity within the city. Such certificate is not assignable and is valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be available for inspection at the place for which issued.

23.02 – COLLECTION OF ROOM TAX AND REPORTING REQUIREMENTS

The room tax imposed by Section 25.01 for each calendar quarter is due and payable and must be received in the office of the city treasurer at the city hall on or before the last business day of the month next succeeding the calendar quarter for which it is imposed. The business entity collecting the tax shall be entitled to retain two percent (2%) of the amount collected as reimbursement for its costs and efforts in the collection of the tax and the report requirements of this chapter. The remainder shall be considered the "net" as used in the chapter.

- (1) **Quarterly Room Tax Returns.** The tax imposed in this section shall be paid on a quarterly basis, with the quarters of the year ending on March 31, June 30, September 30, and December 31. A return shall be filed with and made to the Village Clerk-Treasurer within

thirty (30) days after the end of each quarter and shall pay the applicable tax with the return. Such return shall be on a form provided by the Village Clerk-Treasurer.

23.03 – ALLOCATION OF ROOM TAX

Funds received from the room tax shall be allocated and used as follows:

- (1) Two percent (2%) of the total amount collected may be retained by the persons subject to the tax as reimbursement for the costs of collecting and reporting the room tax and for the accounting connected therewith, provided the required reports and payment of the room tax are timely made.
- (2) Twenty-eight percent (28%) of the total amount collected shall be retained by the Village of Cassville as reimbursement for costs of administrating and overseeing the room tax program and for community development projects, included but not limited to, parks, playgrounds, and green spaces.
- (3) Seventy percent (70%) of the total amount collected shall be spent directly by the Village of Cassville Tourism Committee, as appointed by the Village Board, on “tourism promotion and development” in the Village of Cassville, Wisconsin.

23.04 – ADMINISTRATION OF TAX COLLECTION

The Village Clerk-Treasurer shall be responsible for the administration and collection of the room tax. The Clerk-Treasurer shall prepare an annual report to the Village Board by February 28 of each year showing the total amounts collected and the disbursement of such amounts as heretofore provided.

23.05 – AUDIT

Whenever the Village of Cassville has probable cause to believe that the correct amount of room tax has not been assessed or that the return of any person to whom a permit has been issued is not correct, the Village Clerk-Treasurer or his/her designee may inspect and/or audit the financial records of such person and shall determine and assess the correct tax due.

23.06 – ESTIMATED ASSESSMENT

If any person required to make a return fails, neglects, or refuses to do so for the amount, in the manner and form, and within the time prescribed, the Village Clerk-Treasurer shall make, according to his/her best judgment, an estimate of the amount of the gross receipts received by such person and shall compute and assess the amount of tax required to be paid, based on such estimate. No refund or modification of the payment determined may be granted until such person files a correct room tax return and permits the Village of Cassville to audit the financial records under Section 23.05.

23.07 – CONFIDENTIALITY

All returns and other information provided by any person under this ordinance shall be confidential and may be disclosed by the Village Clerk-Treasurer only to the following: the person who filed the return or his/her authorized agents, successors, and assigns; persons using the information in the discharge of the duties of their office or in the discharge of duties imposed upon them by law; any person designated by court order. This disclosure prohibition does not include the dissemination by the Village Clerk-Treasurer of aggregate amounts of tax received from all Hotels, Motels, and Tourist Rooming Houses within the Village.

23.08 – REVOCATION OF REGISTRATION AND OPERATION OF HOTEL, MOTEL, OR TOURIST ROOMING HOUSE WITHOUT REGISTRATION

- (1) No person may operate a Hotel, Motel, or Tourist Rooming House within the Village without the registration required by this section. Enforcement of this prohibition may be by application to the appropriate court for an injunction or other lawful relief or by any other means provided by law.
- (2) Any registration required under this section may be revoked by the Village Board upon written notice to the Registrant to whom it was issued for one or more of the following reasons:
 - (a) Failure to file a return or pay the tax due within forty-five (45) days after the due date for filing the return and payment of the tax;
 - (b) Filing a return which contains false information;
 - (c) Refusing to permit the Village of Cassville to inspect and audit the financial records of the person subject to the tax.

23.09 – DEFINITIONS

For the purpose of this chapter, the following terms shall have the meaning given herein:

- (1) *Hotel, Motel, or Tourist Rooming House.* The building or group of buildings in which the public may obtain accommodations for a consideration, including, without limitation, such establishments as inns, motels, tourist homes, tourist houses or courts, lodging houses, summer camps, apartment hotels, resort lodges, campgrounds, cabins, and any other building or group of buildings in which the accommodations are available to the public, except accommodations rented for a continuous period of more than one month and accommodations furnished by any hospital, sanitoriums, or nursing homes, or by corporations or associations organized and operated exclusively for religious, charitable, or educational purposes, provided that no part of the net earnings of such corporations and associations inures to the benefit of any private shareholder or individual.
- (2) *Gross Receipts.* The meaning as defined in Wis. Stats. § 77.51(11)(a), (b), and (c), insofar as applicable. Any federal and state tax exempt transactions shall not be included in the definition of gross receipts.
- (3) *Person.* Shall include corporations, partnerships, or other business entities.
- (4) *Transient.* Any individual residing for a continuous period of less than one month in a motel, hotel, or other furnished accommodations available to the public.

23.10 – PENALTIES FOR CERTAIN VIOLATIONS

- (1) Any person who fails to comply with a request to inspect and audit such person's financial records as provided in Section 23.05 of this ordinance shall be subject to a forfeiture not to exceed five percent (5%) of the tax imposed under Section 23.01, plus the court costs and assessments.
- (2) Any person who fails to pay the room tax due under Section 23.01 or 23.06 shall be subject to a forfeiture in an amount not to exceed twenty-five percent (25%) of the room tax due for the previous year or five thousand dollars (\$5,000.00), whichever is less, plus court costs and assessments.

- (3)** Any person who violates either Section 23.10(1) or Section 23.08 of this ordinance shall be subject to a forfeiture of not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00), plus court costs and assessments.