

**CHAPTER 3**

**SECTION 3**

**Lodging Tax**

**Subsections:**

- 3-3-1 Imposition Of Tax And Allocation Of Proceeds.
- 3-3-2 Exemptions.
- 3-3-3 Collection Of Tax.
- 3-3-4 Enforcement.

**3-3-1 IMPOSITION OF TAX AND ALLOCATION OF PROCEEDS.**

(A) There is hereby levied and charged a Lodging Tax upon the business of furnishing rooms or accommodations for consideration in a hotel, motel, apartment hotel, lodging house, motor hotel, guest house, or other similar lodging businesses in the amount of 3.5% of the entire amount charged for furnishing the room or accommodations. (Ord 1-2016)

(B) The amounts subject to the tax, shall not include sales and use taxes, telephone, laundry, food and drink services, and other services incidental to the furnishing of the lodging, which are billed separately to the customer. (Ord 1-2016)

(C) Seventy per cent of the net lodging tax revenues received by the Town shall be used for tourism promotion and economic development purposes, and the remainder for expenses attributable to tourism and growth. The Town shall maintain appropriate accounts therefore. (Ord 1-2016)

**3-3-2 EXEMPTIONS.**

The following transactions shall be exempt from the tax imposed by this Section.

(A) Accommodations provided to the United States, State of Colorado, the Town of Ridgway, or any of their agencies or political subdivisions.

(B) Accommodations provided to an individual who is a permanent resident of a hotel, motel, apartment hotel, lodging house, motor hotel, guest house, or other similar business, pursuant to a written agreement for a period of at least thirty (30) consecutive days.

**3-3-3 COLLECTION OF TAX.**

(A) Every vendor providing accommodations taxable by this Section shall collect the tax from each customer and shall remit such tax and make a return to the Town on or before the 20th day of each month, on account of accommodations provided in the preceding month. Said return shall contain such information and be in such form as the Town may prescribe.

(B) The burden of proving that any transaction is exempt from the tax shall be upon the vendor.

(C) In the event any vendor collects more tax than the tax imposed by this Section, such amount shall nonetheless be remitted, in full, to the Town.

(D) The tax collected by the vendor shall be held in trust by the vendor for the Town until remitted to the Town.

(E) The vendor shall maintain, keep and preserve suitable records of all transactions and such other books and accounts as may be necessary to determine the amount of taxes for which the vendor is liable. All such records shall be kept for at least a period of three (3) years and shall be open to inspection and audit by the Town at any reasonable time.

(F) Tax returns shall be kept confidential by the Town and used only for administration and enforcement purposes.

### **3-3-4 ENFORCEMENT.**

(A) It shall be unlawful for any person to fail to pay the tax imposed by this Section or for any vendor to fail to collect it and remit it to the Town or for any person to otherwise violate any provision of this Section.

(B) A penalty in the amount of 15% of the tax due or the sum of \$50.00, whichever is greater, shall be imposed upon the vendor and become due in the event the tax is not remitted by the 20th of the month, as required by this Section and interest at 1.5%/month shall accrue on the unpaid balance. (Ord 2-2019)

(C) If any vendor fails to make an accurate return and pay the tax imposed by this Section, the Town may make an estimate, based upon available information of the amount of tax due, and add the penalty and interest provided above. The Town shall mail notice of such assessment to the Vendor at his address as indicated in Town records. If payment is not made within ten (10) days from the date of mailing, the Town may proceed as provided in this Section or otherwise allowed by law to collect such estimate and other amounts due.

(D) The tax imposed by this Section shall be a lien upon the goods and business fixtures of the vendor and upon the real and personal property and appurtenant premises at which the taxable transactions occurred. The Town may foreclose such lien in accordance with law and record notices of such lien in the Ouray County records.

(E) The Town may certify the amount of any delinquent taxes as a delinquent charge upon the property at which the taxable transaction occurred to the County Treasurer for collection in the same manner as delinquent general ad valorem taxes are collected.

(F) Any person convicted by violation of any provision of this Section may be sentenced to a fine not to exceed \$300. (Ord 1-2017)