

TOWN OF PLUM LAKE

P.O. Box 280 715-542-4531
8755 Lake St. Sayner, WI 54560

ORDINANCE 2020ORD-001 replacing ORDINANCE 2013-001 Room Tax Ordinance Amended April 20, 2021

The Town Board of the Town of Plum Lake, Vilas County, Wisconsin, does hereby ordain as follows:

I **PURPOSE:** To impose a tax on the privilege of furnishing lodging accommodations for the promotion and development of tourism for the Town of Plum Lake.

II **AUTHORITY:** Town of Plum Lake has the authority to enact this Ordinance under its township powers under Section 60.22 Wis. Stats. and specific authority under Section 66.0615 Wis. Stats.

III **DEFINITIONS:**

Gross Receipts mean all receipts from furnishing at retail, rooms, lodging or accommodations to transients by hotel keepers, motel operators, property managers, lodging marketplaces, bartered exchanges, sub-rental agents or single-family homeowners available to the public

Hotel or Motel means a building or group of buildings in which the public may obtain accommodations for a consideration including, but not limited to, inns, motels, bed and breakfasts, tourist homes, tourist houses, rooming houses, summer camps, apartment hotels, resort lodges and cabins, single-family homes, mobile homes as defined in Section 66.058 (1)(d) Wis. Stats.

Definition does not include accommodations rented for a continuous period of more than one month to the same individual(s), partnership or corporation, and accommodations furnished by any hospital, sanatorium or nursing home, or by a corporation organized and operated exclusively for religious, charitable or educational purposes, provided that no part of the net earnings of such corporation or association inures to the benefit of any private shareholder or individual.

Lodging Marketplace means an entity that provides a platform through which an unaffiliated third party offers for rent a short-term rental to an occupant and collects the consideration for that rental from the occupant.

Property Manager(s) means any individual(s), partnership or corporation that acts on behalf of the owner of the property to rent and collect payment.

Bartered Exchange of accommodations is subject to tax at fair market value for exchange less than one month.

Sub Rental Agent means any individual(s), partnership or corporation whether related to owner or not that sub rents the accommodations to a third party for a period of less than one month.

Permittee means the owner, lodging marketplace, property manager, or sub rental agent to whom the Town has issued a room tax permit.

Owner means the owner of an accommodation's business subject to the provisions of this Ordinance.

Room Tax means a tax on the gross receipts derived from furnishing at retail, rooms or lodging to transients.

Room Tax Permit means a permit issued by the Town annually for the collection of room tax.

Room Tax Return means a report provided by the Town Clerk for computing and submitting monthly or quarterly payment of the room tax containing certain information as the Town Clerk deems necessary.

Short Term Rental means rental for less than 30 consecutive days.

Transient means any individual(s) residing for a continuous period of less than 30 days in a hotel, motel, or other furnished accommodation available to the public.

Wis. Stats means Wisconsin Statutes including successor provisions to cited statutes.

IV ROOM TAX IMPOSED:

- (A) Room Tax – A room tax at a rate to be periodically set by the Plum Lake Town Board is hereby imposed on the gross receipts derived from furnishing accommodations at retail from all entities included in hotel and motel definition to transients. The current rate of 4.5% is specified in this Ordinance, and it shall be posted in writing by the Town Clerk in a conspicuous place at the Town offices. The rate of tax imposed may be revised by the Town Board following a public hearing. If the tax rate is changed, notice of the new rate shall be posted by the Town Clerk within 24 hours. The balance of the room tax imposition should remain the same.
- (B) Package Rates – If a facility offers an all-inclusive package which includes other goods or services irrespective of whether membership is required for use of the accommodations, the tax shall be applied only to that portion of the package rate representing gross receipts as defined in section III-definitions. The determination of the portion of the package rate representing gross receipts will be made by the Town Clerk and owner/operator. In the event that no equitable determination can be made, the matter will be referred to the Town Board which shall make the final determination based on evidence presented to it by the owner/operator.
- (C) Distribution of tax proceeds – Not more than 45 days after each calendar quarter, the Town Clerk shall allocate and distribute 70% of the tax collected to the Plum Lake Chamber of Commerce for the purpose of promoting tourism through advertising and event development. The remaining 30% of the proceeds will be retained by the Town for general purposes.
- (D) Chamber Responsibility – The Chamber shall submit to the Town Board a plan for use of the collected funds for each calendar year. Plans shall be submitted no later than December 1 annually for the following year. No later than January 31 of each year, Chamber shall submit a detailed report of expenditures for the preceding year.

V ADMINISTRATION OF THE ROOM TAX:

(A) Administration – All activities associated with the implementation of this Ordinance shall be performed by the Town Clerk’s Office at the guidance of the Town Board.

(B) Room Tax Application Permit – Every permittee, as defined in Section III, must submit an application for permit prior to engaging in any rental activities. (Application form is available from Town Clerk or on the Town’s website www.townofplumlake.com.)

Note: Permittees must obtain a seller’s permit from the Wisconsin Department of Revenue to collect taxes and must collect and pay room taxes directly to the Clerk of Plum Lake. Also, all entities must notify each owner that they have collected and paid the tax to the Town Clerk.

(C) Permit Issuance – The Town Clerk will issue to each owner or representative a permit for each rental property address. Permit is not transferable or assignable.

(D) Room Tax Return and Payment Dates – Each participant shall submit to the Town Clerk for each property address a Room Tax Return (available from the Town Clerk or Town website) and taxes collected within 30 days of the end of the calendar quarter for which the tax was collected. A return must be filed even if no rentals occurred during that time period.

(E) Failure to Perform –

1. A \$20.00 late fee will be assessed for payments postmarked 31 days after due date and room tax returns not filed within 31 days after due date. The late fees will continue to accrue at a rate of \$20.00 per month until paid or until room tax return is filed. (Amended April 20, 2021)
2. A \$50.00 permit application fee will be assessed for failure to obtain a permit prior to the commencement of rental activities.
3. Unpaid taxes will be assessed interest at a rate of 12% per annum from the due date until paid
4. To enforce the collection of room tax, the Town Board may exchange audit or other information with the Wisconsin Department of Revenue under Section 66.0615 Wis. Stats. The Town has the obligation and right to inspect and audit the rental financial records of any owner or representative deemed to be in non-compliance with this Ordinance. If it has been determined that the full amount of gross receipts is understated, a forfeiture of 25% of the room tax due for the previous year or \$5,000.00, whichever is less, will be imposed for failure to pay the appropriate amount.
5. Any personal organization who is required to obtain a permit as set forth herein, who fails to obtain a permit or who violates any other provision of this Ordinance, shall be subject to a forfeiture of not less than \$100.00 and no more than \$500.00. Each day, or portion thereof, that such violation continues is hereby deemed to constitute a separate offense.
6. If a judgment is obtained by the Town Board for violation of this Ordinance and it remains unpaid for a period of 90 days, then the Town Clerk may add the judgment amount or taxes due to the annual property tax of the affected parcel. Written notice will be given to the owner(s) within 10 days of levying the assessment.

(F) Confidentiality – Each person subject to collecting and/or paying the tax created herein shall maintain written or electronic records used to calculate and determine said tax, and said records shall be maintained for not less than two years after the tax is due. All information obtained by the Town in enforcing collection of this tax shall be confidential and not a public record. The information may be disclosed to or used by persons using this information in the discharge of

duties imposed by state statute or local Ordinance for the duties of their office or by order of a court. Any person violating the confidentially requirements may be required to forfeit not less than \$199.00 or more than \$500.00.

(G) Severability – The provisions of this Ordinance shall be deemed severable. If any section, paragraph, sentence, clause, phrase, or portion of this Ordinance is held to be invalid or unconstitutional by any court, such portion shall be deemed a separate, distinct and independent provision and shall not affect the validity of the remainder.

(H) Sale or Conveyance of Property or Business – (Responsible for Unpaid Tax) If any person or entity liable for any amount of tax under this Ordinance sells his business or stock of goods or quits the business, his successors or assigns shall be jointly and severally responsible for any unpaid tax.

VI STATE LAW APPLIES – Nothing contained in this Ordinance shall be deemed to limit the application of any Wisconsin state law or administrative regulation regulating the subject of this Ordinance.

EFFECTIVE DATE:

This **Room Tax Ordinance 2020ORD-001** repeals and replaces **Room Tax Ordinance 2013ORD-001** and is effective upon publication or posting as required under sec 60.80 Wi Stats, and is applicable to all property rentals effective February _____, 2021.

Adopted this _____ day of _____, 2021

William Maines, Town Chairman

Sharon Brooker, Town Clerk