

OUR REFERENCE MATERIALS ARE IN THE PROCESS OF BEING UPDATED DUE 2019 WI ACT 10 (1/1/2020 EFFECTIVE DATE). AS MORE INFORMATION BECOMES AVAILABLE FROM MARKETPLACE PROVIDERS, WE WILL UPDATE REFERENCE MATERIALS ACCORDINGLY AND DISTRIBUTE. PLEASE READ ALL MATERIALS WITH THIS IN MIND.



## DOOR COUNTY TOURISM ZONE ROOM TAX FREQUENTLY ASKED QUESTIONS

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*This guide is to provide information to permit holders with regards to general questions about the Tourism Zone Commission and Room Tax.*

If you are looking for how-to guides please see the following publications: [GETTING STARTED CHECKLIST](#), [GUIDE TO COMMENCING SHORT TERM RENTALS IN DOOR COUNTY](#), [FAQ'S FOR AIRBNB HOSTS](#), [GUIDE TO MONTHLY ROOM TAX REPORTING](#) AND [HOW TO FILE ONLINE](#).

### WHAT IS THE ROOM TAX AND WHY WAS IT IMPLEMENTED?

Room tax is a rental tax that is paid by the guest for short term rentals for a period of less than thirty (30) consecutive calendar days. It is also known as use tax, transient occupancy tax (TOT), tourist tax, bed tax, or hotel tax. Room tax is authorized to be collected under Section §66.0615 of the Wisconsin State Statutes. The current room tax rate in Door County is 5.5%.

Room tax is not a tax on the lodging provider. Property owners and management companies must collect the tax from the guest on behalf of Door County. Room Tax applies to rentals from any and all internet based rental services (lodging platforms / lodging marketplaces) in all of Door County and direct bookings.

By definition, to be in compliance with the room tax ordinances, you must collect room tax if your property conforms to the definition of transient lodging.

*"Hotel or motel means a building, group of buildings or structure in which the public may obtain accommodations for a monetary consideration, including, without limitation, such establishments as inns, motels, hotels, tourist homes, private homes, bed and breakfast establishments, rooming houses, condominiums, summer camps, apartment homes, resort lodges and cabins, commercial indoor lodging facilities, campgrounds with A-frames, cabins or trailers and any other building or group of buildings available to the public" (Door County Tourism Zone Commission Agreement)*

In 2006, the Door County Strategic Marketing Coalition commissioned a study to determine alternatives and options to offset the decline in tourism in Door County. The consultant's report recommended a substantial increase in the funding for marketing Door County as a tourism destination and recommended utilizing Room Tax to do so. The following municipalities adopted ordinances imposing a 5.5% tax on transient lodging. The member municipalities are as follows:

- Town of Baileys Harbor
- Town of Brussels
- Town of Clay Banks
- Town of Egg Harbor
- Village of Egg Harbor
- Village of Ephraim
- Village of Forestville
- Town of Forestville
- Town of Gardner
- Town of Gibraltar
- Town of Jacksonport
- Town of Liberty Grove
- Town of Nasewaupée
- Town of Sevastopol
- Village of Sister Bay
- Town of Sturgeon Bay
- City of Sturgeon Bay
- Town of Union
- Town of Washington

### WHAT IS THE FUNCTION OF THE DOOR COUNTY TOURISM ZONE COMMISSION?

The Tourism Zone Commission is a government entity created by the Intergovernmental Agreement (State Statutes Section §66.0615) and must comply with the laws of the State affecting public entities including open meetings and open records. The Commission is responsible for issuing the lodging permits, collecting the room tax, preparing and delivering all the required reports, contracting with a tourism entity (Door County Visitor Bureau) for the purpose of marketing the destination, approving the marketing plan and reviewing the performance measurements. The purpose of the Commission is to insure that the room tax funds collected increase tourism in member municipalities as measured by increased stays in lodging establishments.

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## HOW DOES THE DOOR COUNTY TOURISM ZONE COMMISSION OPERATE?

The Tourism Zone has retained the services of a local CPA firm to handle all room tax payments. The accounting firm handles all of the reporting to assist in maintaining the confidentiality of the reports. The Tourism Zone issues permits, tracks compliance and conducts enforcement.

The Tourism Zone has its financial transactions audited at the end of each fiscal year. The Tourism Zone meets regularly to review general collection information and performance reports from the Door County Visitor Bureau.

The Tourism Zone reports regularly to its member municipalities on the activities undertaken, funds expended, and the status of its goals. With the exception of any closed session on any given agenda, Tourism Zone meetings are open to the public; dates and meeting places of upcoming meetings are posted on the Tourism Zone website.

## WHERE DO THE ROOM TAX DOLLARS GO?

Room tax is a pass through tax. The tax is charged directly to the lodger and remitted by the lodging provider. All room tax dollars are paid to the Tourism Zone Commission. The Intergovernmental Agreement that was part of the adoption of the tax split the total tax into the following monthly distribution of the room tax collections:

- 30% to the municipality where the lodging facility is located
- 66% to be distributed to the contracted tourism entity
- 4% to be used for administrative expenses.

The Commission has contracted with the Door County Visitor Bureau to develop and undertake a variety of marketing efforts designed to increase the number of overnight stays in lodging establishments in member municipalities.

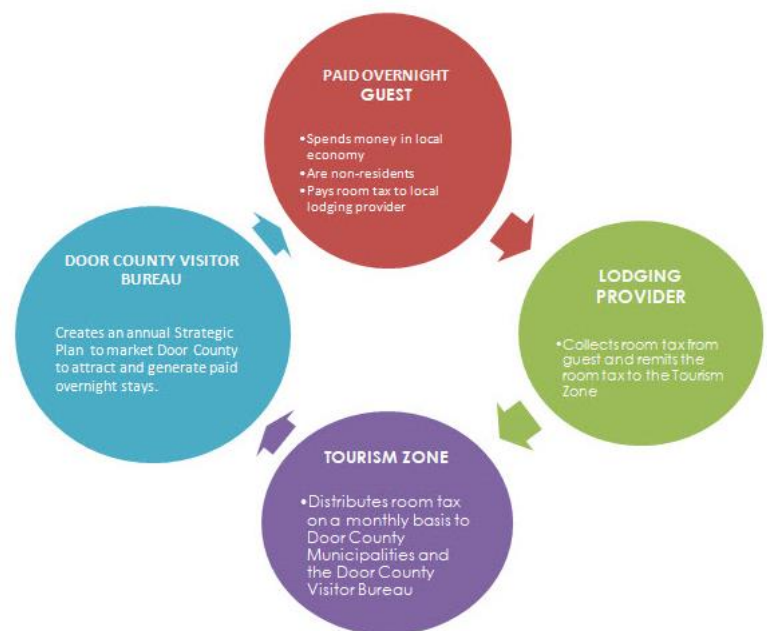
## WHAT ARE THE DUTIES OF A TOURISM ZONE PERMIT HOLDER?

As the operator of a lodging establishment you have the following responsibilities:

- 1) Register your property for the Tourism Zone Lodging Permit – the criteria for a permit and regular reporting is **offering** rental, not actual rentals.
- 2) Fulfill the other requirements as stipulated by WI STAT. 66.0615 (WI Seller's Permit & DTACP Tourist Rooming License.)
- 3) Collect room tax from each guest and hold in trust until remitted.
- 4) File monthly room tax reports (with all required data) and remit room tax.
- 5) Preserve all records.

## HOW DO I KNOW MY INFORMATION WILL BE KEPT CONFIDENTIAL?

The data we are asking you to provide in terms of occupancy rates and lodging sales is essential to know if the marketing efforts of the Door County Visitor Bureau are working. We will keep your information confidential. State Statute Section §66.0615(3) mandates the confidentiality of all room tax information and provides for civil forfeitures if confidentiality is broken.



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The Commission and its committees discuss individual lodging properties by name only in Closed Session. Lodging property individual collections and statistics are not included in the Door County Tourism Zone Commission reports.

### **IF I AM LATE WITH MY REPORTING WHAT ACTIONS DOES THE TOURISM ZONE TAKE?**

The Tourism Zone will send a property owner three notices to file and remit room tax. The final notice will contain a final deadline. Should the room tax not be paid by the final deadline outlined in the final notice, the matter will be turned over to legal counsel. All costs pertaining to efforts to compel a property owner to remit the room tax that a property owner holds in trust will be billed back to the property owner.

### **WHAT IF I HAVEN'T RECEIVED MY PAYMENT FROM MY LODGING PLATFORM BEFORE ROOM TAX IS DUE?**

The property owner is always the responsible party. Your lodging platform/lodging marketplace acts as your agent. Your agent is not handling, nor responsible for room tax remittance; therefore the property owner is the responsible party for reporting and remitting on time. The lodging fees and tax are paid to your agent; in principle payment has been received.

### **WILL MY RETURNS BE CHECKED?**

Yes. The Tourism Zone will audit records to determine if the proper amount of tax has been calculated and remitted. Your records are to be open to inspection by the Tourism Zone, or designated representative, at all reasonable times. Please note, nontaxable (exempt lodging revenue) rent received must also be reported on the return and claimed as an exemption/exempt lodging sale on the room tax report along with the required documentation.

### **DO I NEED TO KEEP RECORDS?**

Each operator is required to keep all records as may be necessary to determine the amount of the tax the operator was required to collect and pay to the Tourism Zone. All records related to the room tax are subject to audit per WI State **66.0615(2)(a)**. Records that should be kept include but are not limited to:

- A register of guests showing the length of stay in terms of consecutive days, for each guest;
- Guest or rent invoices, statements, contracts or bills, rent payments and/or refunds -- these records should clearly show the length of stay;
- Room rate sheets or cards of prices per day of each room;
- Income tax returns, transient occupancy tax returns along with exemption certificates, and worksheets used to prepare tax returns;
- Bank statements, deposit receipts, and day books (note: it is recommended that you maintain a separate bank account for your rental property);
- Journals, general ledgers, or any other records, plus the detailed records from which the data was accumulated.

### **I HAVE A NEIGHBOR THAT IS RENTING HIS/HER RESIDENCE AS A SHORT-TERM RENTAL. I DON'T THINK THEY ARE COLLECTING/REMITTING ROOM TAX. WHAT CAN I DO?**

Contact the Tourism Zone at (920) 854-6200 or via Email at [info@doorcountytourismzone.com](mailto:info@doorcountytourismzone.com) and provide us the address. We can confirm whether or not the property is permitted. If it is not, the office will proceed with compliance efforts.

### **I AM NO LONGER RENTING MY PROPERTY, WHAT DO I DO?**

- 1) A permit holder must complete the form "[REQUEST FOR PERMIT DEACTIVATION](#)"
- 2) This form can be obtained by phoning or emailing the Tourism Zone office. The form can also be printed off the DCTZC website. Select the drop down box "permit holder information" and then select "change of information/ deactivation form"
- 3) In order for a permit to be deactivated, the deactivation form must be completed and returned to the office.

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The Tourism Zone is here to help. Call or email the office and we will happily talk you through the online filing, assist with passwords or any other challenges/questions you might encounter.

920-854-6200 – info@doorcountytourismzone.com

longer being rented because	Please check all the apply: <input type="checkbox"/> Property was sold <input checked="" type="checkbox"/> I no longer rent the above property and will not in the future <input checked="" type="checkbox"/> I have never rented the property and will not in the future.
Information:	Date that owner ceased renting: _____ Or Date property sold: _____
renting the property, all online links and websites must be deactivated.	<input checked="" type="checkbox"/> I have removed all online listings on online booking sites (VRBO, AirB&B, etc.) <input checked="" type="checkbox"/> My property's website has been taken down <input checked="" type="checkbox"/> All listings on Door County advancement sites, travel sites and the like have been removed/deactivated.

By signing this form I am confirming that I am not renting the above listed property and all media for my property has been removed/deleted/deactivated. I understand that I must notify the office if my plans change.

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