



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

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Assembly passes Rep. Kitchens' room tax legislation

MADISON, Wis. – A bill authored by Rep. Joel Kitchens, R-Sturgeon Bay, that helps to ensure local municipalities are receiving the correct amount of room tax revenue from short-term rental companies has been passed by the state Assembly.

“It is important that we create a level playing field for lodging marketplace businesses, traditional hotels and any other entities that offer overnight rooms,” Rep. Kitchens said. “Assembly Bill 189 will allow us to move away from having a separate set of rules for each industry.”

Under legislation that was signed into law a few years ago, lodging marketplace companies were required to begin collecting the room tax on behalf of their short-term rental clients. That change made it vastly easier to obtain taxes from short-term rentals. However, it also led to unintended problems that needed to be addressed.

AB 189 fixes those issues by making it as easy as possible for lodging marketplaces to comply with the law and meet their obligation of remitting the correct amount of room tax revenue to the proper municipalities. Furthermore, the bill provides a mechanism whereby a municipality can audit a lodging marketplace business if they have reason to believe the amount remitted is incorrect.

The Department of Revenue will be tasked with creating a form that seeks the following information: the total sales for properties located in a municipality with a room tax, the total number of nights such properties were rented, the room tax rate and the total tax due. The forms will not require the addresses of the individual properties.

The DOR will also post on its website the name of each municipality that imposes a room tax, the rate of the room tax and the mailing address of the municipality.

“Because these dollars are so important to our tourism industry and our local communities, we have to make sure they are accurate and going to the right places,” Rep. Kitchens said. “I am confident my bill will get us to where we need to be.”

Having already been passed by the state Senate, Rep. Kitchens' legislation now heads to the desk of Gov. Evers to be signed into law.

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