

Thanks Marty! Please see below in blue for responses to your questions.

Nick Aleksovski

Manager, Indirect Tax

T: +1 512 983 0516

E: naleksovski@homeaway.com

vrbo.com

From: Marty Richards <marty.richards@richlandcenterwi.gov>

Sent: Tuesday, August 15, 2023 12:37 PM

To: Nick Aleksovski <naleksovski@homeaway.com>; DITax\_OTC Sales-Occ Team <DITax\_OTCSales-OccTeam@expedia.com>

Cc: Aaron Joyce <aaron.joyce@richlandcenterwi.gov>; Brian McGraw (mcgraw1855@gmail.com) <mcgraw1855@gmail.com>; Sharon Storms <treaseagle@gmail.com>; clerklynetteowens@foresttownrcwi.gov; Jackie Carley <jackie.carley@schmittwoodlandhills.com>; Ashley Oliphant <ashley.oliphant@richlandcenterwi.gov>

Subject: [External] RE: Attn Dana Malburg: City of Richland Center, Townships of Eagle, Ithaca, and Forrest, Richland County, Wisconsin

Good Afternoon Nick,

Thank you very much for your reply, it is greatly appreciated. We are pleased to hear your explanation of the issue and look forward to corrections. Your response brings up two more thoughts:

#1. We have another township actively going through the process of adoption of the room tax with more likely to follow. When they finalize the adoption of the room tax in their respective townships, is there a contact at Vertex that we should be notifying of the change so we avoid situations like this in the future? We were led to believe that they were checking the State of Wisconsin, Department of Revenue Website periodically for such changes but that obviously isn't happening. We are happy to notify the party responsible in the future as new townships adopt the room tax. If you are able to share that contact we are happy to share the information. – [yep! Vertex has an email alias that can be reached at gis@vertexinc.com.](#)

#2. In the case of Eagle and Ithaca Townships, the room tax was adopted effective 01/01/2022 and 07/01/2022. Additionally for Richland Center, the room tax was increased effective 07/01/22. It is all of the involved municipalities' understanding remittances will be backdated to include all short-term rentals after those dates to current. Can you please confirm? – [confirming that once the tax is added to our system, we will be remitting the tax for future stays even if the tax was not collected at booking. Additionally, once the new taxes are added on our end, we can also look into previous months with past stays where the tax was not collected to determine if an amended return or \(or potentially a catch-up payment with a future filing\) is needed.](#)

Thank you again for your help with this situation. If any other questions come to your attention, please feel free to reach out.

Have a great day,

Marty

Marty Richards

Greater Richland Tourism

397 W Seminary Street

Richland Center, WI 53581

From: Nick Aleksovski <naleksovski@homeaway.com>

Sent: Tuesday, August 15, 2023 9:11 AM

To: Marty Richards <marty.richards@richlandcenterwi.gov>; DITax\_OTC Sales-Occ Team  
<DITax\_OTCSales-OccTeam@expedia.com>

Cc: Aaron Joyce <aaron.joyce@richlandcenterwi.gov>

Subject: RE: Attn Dana Malburg: City of Richland Center, Townships of Eagle, Ithaca, and Forrest, Richland County, Wisconsin

Hi Marty,

Thanks for reaching out, and providing this information! We have looked into each of these below, and the issue appears to be that Vertex, our third party tax rate content provider was unaware of the Eagle Township, Ithaca Township, and Forrest Township taxes, so they are currently missing from their tax rate content. We have passed along the ordinances provided and have requested that they prioritize adding these additional taxes in their next content release at the end of the month so that we can begin collecting & remitting accordingly for both Expedia and HomeAway (dba Vrbo.) Vertex has also confirmed that they have updated their rate for Richland Township to the 7% that is now affected.

If anything additional is needed in the interim, please let us know!

Nick

Nick Aleksovski

Manager, Indirect Tax

T: +1 512 983 0516

E: naleksovski@homeaway.com

vrbo.com

From: Marty Richards <marty.richards@richlandcenterwi.gov>

Sent: Tuesday, August 8, 2023 2:24 PM

To: DITax\_OTC Sales-Occ Team <DITax\_OTCSales-OccTeam@expedia.com>

Cc: Aaron Joyce <aaron.joyce@richlandcenterwi.gov>

Subject: [External] Attn Dana Malburg: City of Richland Center, Townships of Eagle, Ithaca, and Forrest, Richland County, Wisconsin

Attn Dana Malburg

Expedia Inc.

Good Afternoon Dana,

I am writing today regarding the recent Room Tax Return form we (the City of Richland Center, Wisconsin) received from Expedia and an ongoing issue in which Expedia has not remitted any room tax for several municipalities in our county. FYI, this is the 5th time over 6-7 months I have tried to reach Expedia for this discussion, the phone number listed on your Room Tax Reporting Form only goes to a fast busy signal which tells me it is a decoy number. For at least that last year, Expedia has been remitting incorrect amounts or has not been remitting any room tax to municipalities in our area, in non-compliance with 2019 State of Wisconsin Act 10 and the local municipality ordinances. I will approach these by jurisdiction. I am also copying this email to the City Clerk of Richland Center-Aaron Joyce, the City Administrator of Richland Center-Ashley Oliphant, the Town Chairman and Treasurer of Eagle Township-Brian McGraw and Sharon Storms, Town Treasurer of Ithaca Township-Jackie Carley, and Town Treasurer of Forest Township-Lynette Owens.

Additionally, I understand VRBO is an owned entity of Expedia. This same discussion applies to all VRBO properties in the municipalities listed below as we have not received the correct room tax rate, nor have the other townships received any room tax from VRBO since adoption of the room tax.

For the first step, I will direct you to the following link to the current Wisconsin Department of Revenue Room Tax Report by clicking on this link. This is the official resource for current room tax rates at any given time for every municipality in Wisconsin. Any Wisconsin municipality that has adopted a room tax is required to report their room tax rate and collections each year to the State of Wisconsin, Department of Revenue. You can see the current room tax rates are correctly indicated for each of the municipalities mentioned above.

City of Richland Center:

Expedia has been remitting collected room tax, to the City of Richland Center since 2019 Wisconsin Act 10 was signed into law requiring 3rd Party Marketplaces to collect and remit room tax to the corresponding municipalities. However, on 04/05/2022 the City of Richland Center, by City Council action, increased the room tax from 5% to 7%. I have attached the City Council Minutes from that 04/05/22 Richland Center City Council meeting increasing the room tax to 7% effective 07/01/22. You can also see verification of the correct room tax rate in the Wisconsin Department of Revenue Report listed above. Expedia has been under-reporting and remitting room taxes collected during that time frame.

Eagle Township, Richland County, Wisconsin. On September 8, 2021, Eagle Township adopted an 8% room tax, effective 01/01/2022, ordinance attached. Eagle Township has yet to receive any room tax remittances even though this ordinance was effective more than a year and a half ago and there is public knowledge of VRBO and potentially Expedia properties located in the township.

Ithaca Township, Richland County, Wisconsin, adopted an 8% room tax rate on 06/13/22, effective 07/01/2022, please see that ordinance attached. As of 08/07/23, the township has yet to receive any room tax remittances even though this ordinance was adopted over a year ago and there is first-hand knowledge of VRBO properties located in the township.

Forrest Township, Richland County, Wisconsin, adopted an 8% room tax rate on 04/18/23, effective 07/01/23, the ordinance is attached. Understandably, Forrest Township has not received any room tax remittance as we are currently in the first quarter of the ordinance's effective date. However, with the experience of the other townships listed above this is to serve notice to Expedia and VRBO of this ordinance and future collections and remittances.

From our experience with the City of Richland Center, we know you are responsible for room tax remittances for VRBO. However, as VRBO is a part of Expedia Group, I ask that you share this information with those entities or you could share with us the correct contacts with those entities. A very easy answer to this situation would appear to be for Expedia to, self-audit the 3rd Party Marketplace (Expedia and VRBO) stays in each jurisdiction during the effective timeframes and make a timely remittance with the correct amount of room tax. However, due to the lack of correspondence regarding this situation over the past several months, a couple of the jurisdictions have begun discussions with Wisconsin State Senator Howard Marklein's office and the Wisconsin Department of Revenue regarding a potential state-requested audit. I believe I can speak for everyone included in this correspondence, the goal here is to receive the correct room tax remittance due from the beginning of each ordinance attached and going forward, and nothing else, at this time. I look forward to your reply and corrective action to the issues listed above, if this raises additional questions for you please feel free to share.

Regards,

Marty Richards

Greater Richland Tourism

397 W Seminary Street

Richland Center, WI 53581

