

Tourism Taxes in Utah

As of July 1, 2025

Utah Tourism Industry Association



Last updated on 04/23/2025



WHAT IS TRT OR TRANSIENT ROOM TAX?

Transient Room Tax (TRT) is a tax imposed on the rental of rooms in hotels, motels, inns, trailer courts, campgrounds, tourist homes, and similar accommodations for <u>stays of less</u> than 30 consecutive days.

TRT is not imposed on meeting room charges.

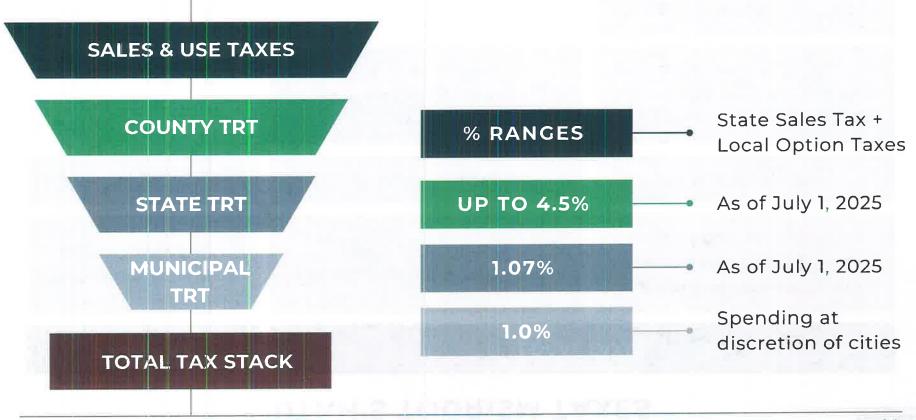


UTAH'S TOURISM TAXES

STATE TAX	LOCAL TAXES	
Statewide Transient Room Taxes (TRT)	Local Transient Room Taxes (TRT) (local option)	Tourism, Recreation, Culture, Convention, Airport (TRCCA) Tax Act (local option)
1.07%*	1% Municipal TRT	1% Restaurant Tax
	Up to 4.5%* County TRT	3-7% on all short-term leases and rentals of motor vehicles not exceeding 30 days
		7% on all short-term rentals of off-highway vehicles and recreational vehicles



LODGING TAX STACK





HOW THE NEW LODGING TAX RATE IS ENACTED



Statewide +0.75%

Automatically enacted by the Utah State Tax Commission on July 1, 2025

0.32% + 0.75% = 1.07% TOTAL STATEWIDE TRT



Enacted through resolution by the county governing body. Goes into effect on or after July 1, 2025

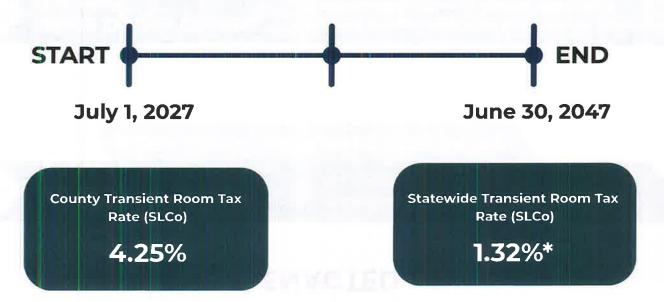
4.25% + 0.25% = 4.5% TOTAL COUNTY TRT

*County Class: 2nd - 6th See Salt Lake County Exception



SALT LAKE COUNTY EXCEPTION

The State shall impose an additional statewide transient room tax rate of 0.25% on a county of the first class (Salt Lake County) to be deposited into the Transient Room Tax Fund.



Reference: <u>HB 456 Lines 609-614, 492-497,</u>

<u>696-723</u>

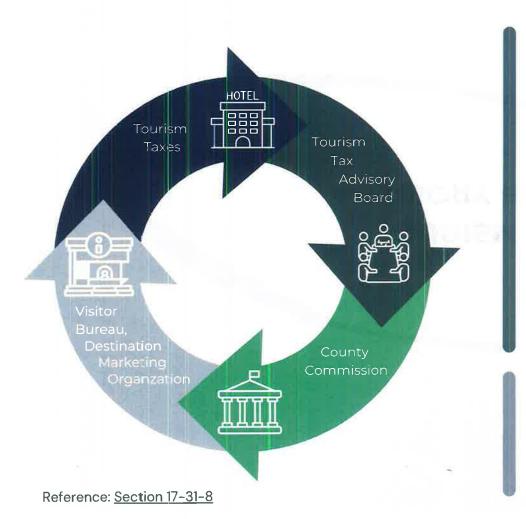
County Class: 1st *As of July 1, 2027



TOURISM TAX ADVISORY BOARDS



TOURISM TAX ADVISORY BOARDS (TTAB)



Make Up

- At least 5 members, who are county residents
- Majority of the members are current employees of entities in the county that are subject to the taxes referred to in Section 59-12-301 (TRT) or 59-12-603 (TRCCA).
- At least two members who are current employees of recreational facilities, convention facilities, museums, cultural attractions, or other tourism related industries located within the county.
- A tourism tax advisory board may add additional members to the board, including board members who represent the interests of municipalities in the county.
- If 50% or more of the county's TRT revenue is generated within one municipality, the tourism tax advisory board shall include a board member to represent the interests of the municipality.

Purpose

 Provide the county commission with a priority listing for proposed expenditures based on projected available tax revenues supplied to the board by the county legislative body on an annual basis for the TRT and TRCCA.



TOURISM TAX ADVISORY BOARDS (TTAB) SECTION 17-31-8

- 4 (a) Each tourism tax advisory board shall advise the county legislative body on the best use of revenues collected from the tax allowed under Section 59-12-301 (TRT) by providing the legislative body with a priority listing for proposed expenditures based on projected available tax revenues supplied to the board by the county legislative body on an annual basis.
- (4) (b) Each tourism tax advisory board in a county operating under the county commission form of government under Section 17-52a-201 or the expanded county commission form under Section 17-52a-202 shall advise the county legislative body on the best use of revenues collected from the tax allowed under Section 59-12-603 (TRCCA) by providing the legislative body with a priority listing for proposed expenditures based on projected available tax revenues supplied to the board by the county legislative body on an annual basis.

Reference: Section 17-31-8 County Class: 1st - 6th

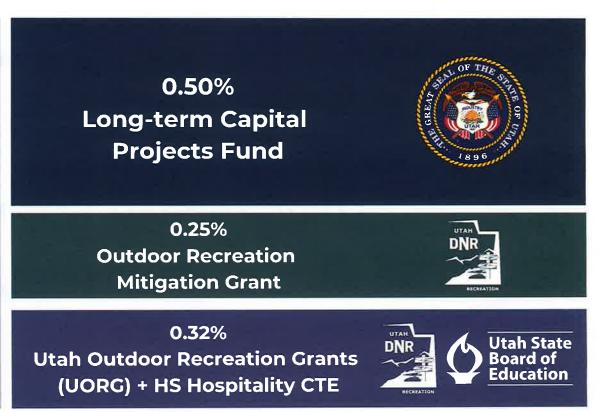


STATEWIDE TRANSIENT ROOM TAX



TRANSIENT ROOM TAX (TRT): STATEWIDE

1.07% Statewide TRT Rate

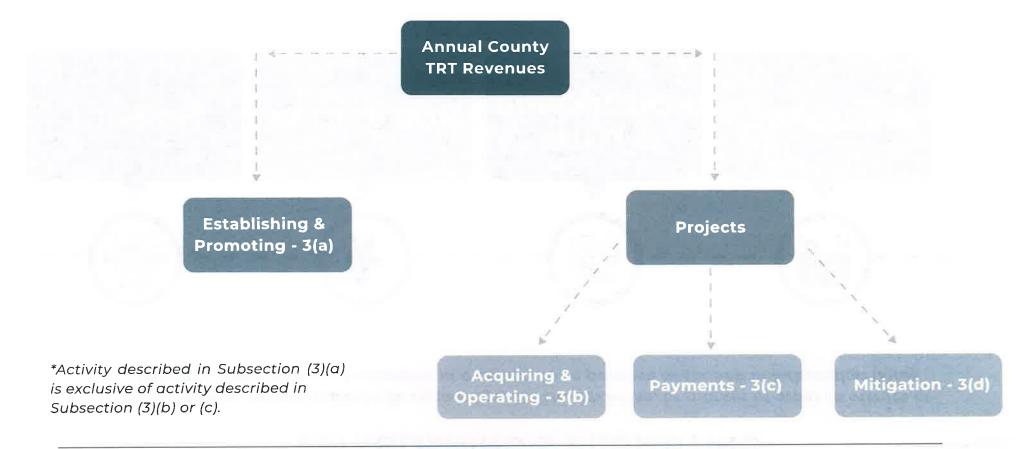




LOCAL OPTION COUNTY TRANSIENT ROOM TAX



ALLOWABLE USES OF COUNTY TRT

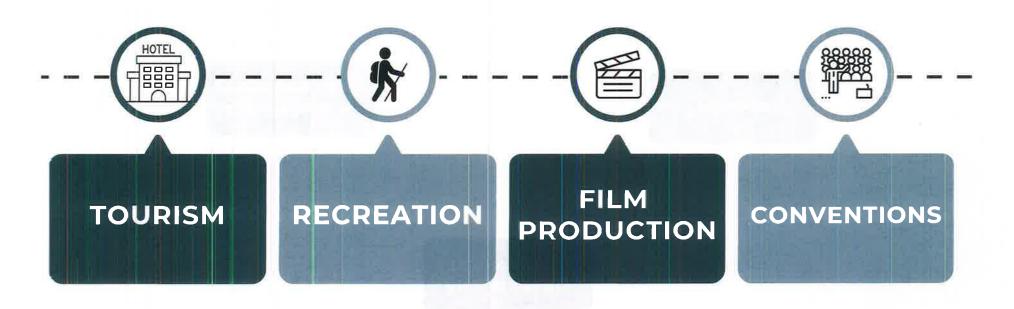


Reference: <u>HB 456 Lines 109-148, 228-229</u>



ESTABLISHING & PROMOTING

An activity or related expense to encourage, solicit, advertise, or market in order to attract or enhance transient guest spending in a county for a purpose described in Subsection (3)(a)



Reference: HB 456 Lines 112-116

PROJECTS



Payments

Acquiring land, leasing land, or making payments for construction or infrastructure improvements required for or related to the facilities listed in Subsection (3)(b).

Acquiring & Operating

To pay for tourism or recreation-related facilities in the county. Includes acquiring, leasing, constructing, furnishing, maintaining, or operating.



Mitigation

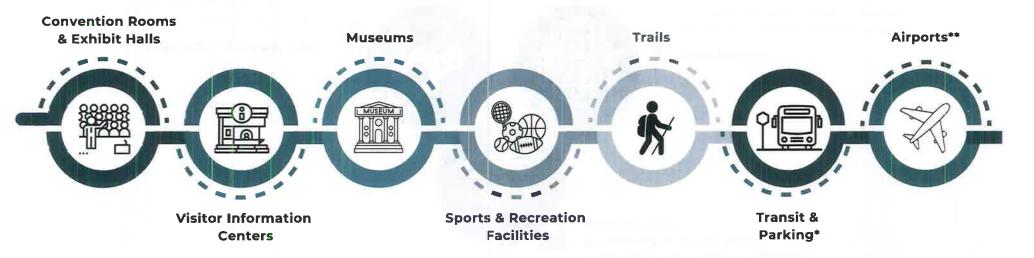
An activity to address the direct impacts of tourism, recreation related to tourism, or conventions in a county.

Reference: HB 456 Lines 117-148



PROJECTS - ACQUIRING & OPERATING

To pay for tourism or recreation-related facilities in the county, including acquiring, leasing, constructing, furnishing, maintaining, or operating.



Reference: HB 456 Lines 117-133

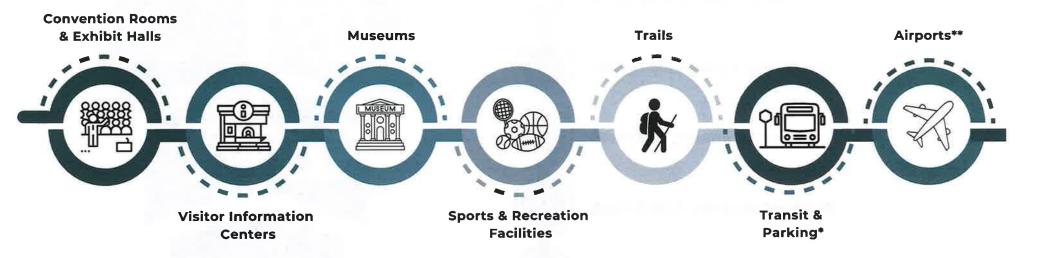
*On a route to a recreation destination within the county, as designated by the county legislative body: transit service, including shuttle service and parking infrastructure

**Only if the county owns the airport



PROJECTS - PAYMENTS

For the purpose of acquiring land, leasing land, or making payments for construction or infrastructure improvements required for, or related to, the facilities listed:



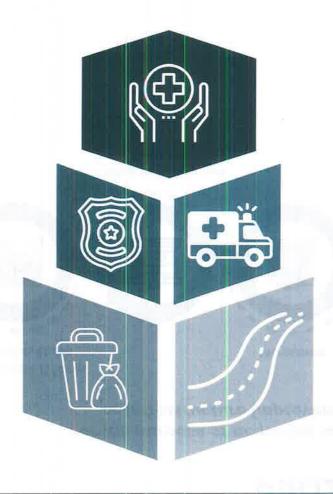
*On a route to a recreation destination within the county, as designated by the county legislative body: transit service, including shuttle service and parking infrastructure

**Only if the county owns the airport

Reference: <u>HB 456 Lines 134-136</u>

County Class: 1st – 6th





PROJECTS - MITIGATION

To pay for mitigation costs, specifically:



Solid Waste Disposal



Emergency Medical Services



Search & Rescue Activities



Law Enforcement Activities



Road Repair and Upgrades

Class B - D Roads

Reference: <u>HB 456 Lines 137-146</u>



REVENUE TIERS

County TRT Revenue Generated (Previous Calendar Year)	% Required for Establish & Promote	% of Total Revenue Required for Establish & Promote
\$0 - \$500,000	0%*	0%
\$500,001 - \$1M	First 1%* of county TRT rate	22% of total revenue at 4.5% rate 23% of total revenue at 4.25% rate
\$1M+	First 2%* of county TRT rate	44% of total revenue at 4.5% rate 47% of total revenue at 4.25% rate 67% of total revenue at 3.00% rate
	THE VIEW IN THE	*100% allowable for establishing & promoting

Reference: <u>HB 456 Lines 233-246</u>



IF YOUR COUNTY GENERATES \$500,001 - \$1M IN ANNUAL REVENUE (CALENDAR YEAR)...





IF YOUR COUNTY GENERATES \$500,001 - \$1M IN ANNUAL REVENUE (CALENDAR YEAR)...

4.50% County TRT Rate 22%
Establishing & Promoting
Tourism, Recreation, Film Productions, & Conventions

78%

Projects

Acquiring + operating, payments & mitigation

allowable for establishing & promotine



IF YOUR COUNTY GENERATES GREATER THAN \$1M IN ANNUAL REVENUE (CALENDAR YEAR)...

4.25% County TRT Rate 47%
Establishing & Promoting
Tourism, Recreation, Film Productions, & Conventions

53%

Projects

Acquiring + operating, payments & mitigation

100% allowable for establishing & promoting



IF YOUR COUNTY GENERATES GREATER THAN \$1M IN ANNUAL REVENUE (CALENDAR YEAR)...

4.50% County TRT Rate 44%
Establishing & Promoting
Tourism, Recreation, Film Productions, & Conventions

56%
Projects
Acquiring + operating, payments & mitigation

100% allowable for establishing & promoting



IF YOUR COUNTY GENERATES GREATER THAN \$1M IN ANNUAL REVENUE (CALENDAR YEAR)...

3.00% County TRT Rate 67%
Establishing & Promoting
Tourism, Recreation, Fi m Productions, & Conventions

ProjectsAcquiring + operating, payments & mitigation

100% allowable for establishing & promoting



EXCEPTIONS & CARVE OUTS



HB 456 (2025) ELIMINATED CARVE OUTS



Base Year

An exemption that applied to 4th - 6th class counties and determined promotion expenditures based on fiscal year 2018-19 revenues.



Transit and Parking

Previously an allowable use for project dollars in counties with a national park, now allowable for all counties (excluding mass transit authorities).



Mitigation for 4th-6th Class

Mitigation is now an allowable use under Projects for all county classes (1st - 6th).



In-State vs. Out-of-State

Removed language in the reporting requirements to designate whether an expenditure was for in-state or out-of-state promotion.

Reference: <u>HB 456 Lines 167-227, 132, 127-133, 329</u>



TRT EXCEPTIONS: RESERVE FUND



Reserve Fund - 50% of the total TRT revenue for the current fiscal year

In the current fiscal year a county's **unappropriated** TRT dollars placed in a reserve fund cannot exceed 50% of the total TRT for the current fiscal year.

This does not apply to **appropriated** TRT dollars - for example the county has a plan to build a convention center and is setting aside dollars each year to support that plan.

Records should be maintained within the reserve fund between Establish & Promote revenues and Project revenues - to be utilized according to the statute.

Reference: Section 17–31–3 County Class: 1st – 6th



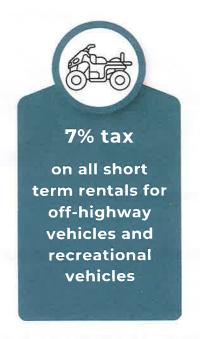
TOURISM, RECREATION, CULTURAL, CONVENTION AND AIRPORT TAX (TRCCA)



TOURISM, RECREATION, CULTURAL CONVENTION, AND AIRPORT TAX (TRCCA) REVENUES







Reference: Section 59-12-603



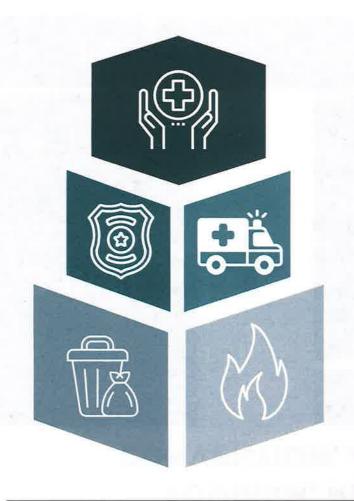
TOURISM, RECREATION, CULTURAL CONVENTION, AND AIRPORT TAX (TRCCA) USES

Financing tourism promotion OR development, operation and maintenance of:



Reference: Section 59-12-603 County Class: 1st - 6th





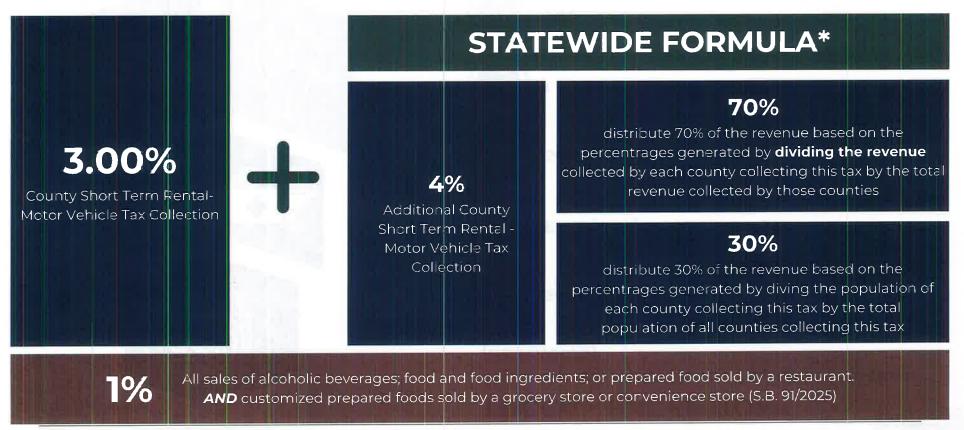
TRCCA - EXCEPTION*

Motor Vehicle + OHV Rental Tax Allowable Uses (HB417/2023)





TOURISM, RECREATION, CULTURAL, CONVENTION, AND AIRPORT TAX (TRCCA)



Reference: Section 59-12-603



REPORTING COUNTY TRT & TRCCA



DISTRIBUTION OF THE REPORT

Merges the individual TRT and TRCCA report into the annual county financial report for ease of reporting requirements.

On or before October 1st, the county legislative body shall provide the annual financial written report for the previous fiscal year to the state auditor directly. Removes language requiring the report to be distributed to the Utah Office of Tourism, the county's Tourism Tax Advisory Board, and Legislative Fiscal Analysts.

Allows for the inclusion of financial data provided by a participating local entity through the reporting to be included on the Utah Public Finance Website in a uniform manner.

Reference: HB 456 Lines 368-373, 865-866 County Class: 1st - 6th



CREATION OF THE REPORT

The State Auditor, in consultation with the Utah Office of Tourism, shall:

- Create a form for a financial report and a form for a written report required for Transient Room Tax and Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax.
- Designate at least one employee within the State Auditor's office to serve as the point of contact for counties preparing a financial or written report.
- If the State Auditor's office determines it is advisable, they can create written guidance to assist counties in preparing a financial or written report.

Reference: HB 456 Lines 359-367 County Class: 1st - 6th



INCLUDED IN THE REPORT

Now included in the Annual Financial Statement prepared by the county finance officer.

- A breakdown of revenues and expenditures for TRT and TRCCA. Removes the language requiring a designation of whether an expenditure was for in-state or out-of-state promotion.
- If revenues were shared with a municipality, include the interlocal agreement and the amount of revenues shared.
- The number of search and rescue efforts conducted by the county.
- The total cost of search and rescue efforts and emergency medical services that were related to tourism or recreation.
- Descriptions of any factors that made a search and rescue effort or emergency medical services more expensive or difficult, including the condition of the roads within the county.
- What money, if any, the county was able to recover in the previous fiscal year from an individual on whose behalf the county incurred the cost of search and rescue or emergency medical services.
- The percentage of those individuals who were in-state visitors to the county, out-of-state visitors to the county, or residents of the county.
 - If the above data regarding residency is unavailable, identifying how many were unavailable.

Reference: HB 456 Lines 329-358



NON-COMPLIANCE IN REPORTING

The state auditor can, on a regular basis, evaluate the revenues and expenditures of a county's annual financial report to determine whether a county's reporting is sufficient to ensure transparency and accountability. Upon receiving that financial report, determine if a county is compliant with the expenditures authorizations.

If the state auditor determines that a county is not sufficiently reporting or not compliant, the state auditor shall:

- Provide the county finance officer with written notice of the determination including the rationale for the determination.
- Shall provide the county financial officer with an opportunity to respond to the determination, in writing, including an opportunity to correct any deficiencies identified by the state auditor.

Reference: HB 456 Lines 455-471 County Class: 1st - 6th



NON-COMPLIANCE IN REPORTING

If the auditor determines, after providing a county with an opportunity to respond and correct any deficiencies, that a county is still not in compliance, the auditor:

- Shall notify the Division of Outdoor Recreation (Beginning January 1, 2028 an eligible county may not receive funding through the Outdoor Recreation Mitigation Fund if the State Auditor notifies the division that the eligible county is not in compliance.)
- Provide notice to the Revenue and Taxation Interim Committee and the Political Subdivisions Interim Committee, or if the Legislature is in session, the Legislative Management Committee.
- May take any action in Subsection 51-2a-401 Prohibiting access to and withholding funds from an entity that does not comply with the accounting report requirements or other provision of law.

Reference: HB 456 Lines 455-471 County Class: 1st - 6th



S.B. 261 - TOURISM RELATED TAX REPORTING AMENDMENTS

Senator Brady Brammer / Representative Bridger Bolinder

This bill surfaced as a result of the 2024 Revenue and Taxation interim study on transient room tax revenues, allocations, and uses. This bill strengthens the reporting requirements on counties for TRT and TRCCA by having the Office of Legislative Fiscal Analysts (LFA) and the State Auditor conduct routine reviews of the reports to ensure compliance.

LFA is required to provide a summary of that analysis to the Revenue and Taxation Interim Committee and the Political Subdivisions Interim Committee. If a county is found noncompliant, the State Auditor is authorized to withhold transient room tax revenues.

There is a coordinating clause linking HB 456 and SB 261.



INDUSTRY RESOURCES



INDUSTRY RESOURCES



















Utah Tourism Industry Association

Celina Sinclair, Executive Director celina@utahtourism.org www.utahtourism.org

Join us, become a member!