



## Finance Committee Agenda Item

Meeting Date:	May 28, 2024
Agenda Item:	Room Tax Update
Staff Contact (name, email, phone):	Rachelle Blitch, <a href="mailto:rblitch@whitewater-wi.gov">rblitch@whitewater-wi.gov</a> , 262-473-1380

### Staff Report

A request was made to give an explanation and breakdown of how and what the room tax is for the City.

Room tax is 8% of the businesses receipts and those dollars are allocated to different entities. 2% of the 8% is kept by the business. 70% of the remainder goes to the Chamber to promote tourism and the City keeps what is left. Here is an example of the math:

100,000 in receipts  
8,000 is 8%  
160 is the 2% the business keeps  
7,840 Net  
5,488 is 70% (of the 7,840) that goes to the Chamber  
2,352 goes to the city

In addition to the room tax, it costs \$15 to register with the City to operate an Air BNB. Air BNB will not provide the City with a list of places in Whitewater and does not provide a breakdown of who the taxes are remitted on behalf of.

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