

# REMINDER

## LOCAL OPTION TAX ADDITIONAL 1% BEGINS JANUARY 1, 2014

**What is the Local Option Tax (LOT)?** Voters approved an additional 1 percent in the November 5, 2013 election (Ordinance No. 1133) in 2 categories, hotel rooms and car rentals. The additional 1% is for 5 years and begins January 1, 2014. An additional 5 year period was passed by voters May 16, 2017 extending from January 1, 2019:

- A four percent (4%) tax on the rental vehicle charge for each rental vehicle rented or leased within the city.
- A four percent (4%) tax on the room occupancy charge for each hotel/motel room or living unit rented or leased within the city, for temporary lodging of thirty (30) days or less.
- A two percent (2%) tax on the sales price of each retail sale of alcohol by the drink within the city.
- A one percent (1%) tax on the sales price of each retail sale of restaurant food within the city.

### **When are taxes paid?**

- Taxes should be paid on the same schedule you pay your State of Idaho sales taxes—if you pay state taxes monthly, your LOT taxes should be paid monthly. If you pay state taxes quarterly, your LOT taxes should be paid quarterly.
- Taxes are paid either monthly or quarterly, and are due on the 25<sup>th</sup> of each month for the previous month or quarter (for example, July's taxes are due August 25; third quarter taxes are due October 25).

### **How do I send tax payments?**

- Returns must be filed even if no tax is due.
- Use a Municipal Non-Property Tax Return form.
- Reference your LOT tax permit # on the form.
- Include a copy of your Idaho State Sales Tax Return.

### **What is the history of Local Option Tax in Hailey?**

- May 23, 2006 voters passed the first Local Option Tax with Ordinance No. 950 for 4 years, effective July 1, 2006.
- November 3, 2009 voters passed and additional 20 years of Local Option Tax with Ordinance No. 1035 beginning July 1, 2010 through June 30, 2030.
- November 5, 2013 voters passed an additional 1 percent for Hotels and Car rentals for 5 years beginning January 1, 2014.
- May 16, 2017 voters passed the additional 1% percent for Hotels and Car rentals for another 5 years beginning January 1, 2019.