

## **LOCAL OPTION TAX (MUNICIPAL NON-PROPERTY SALES TAX)**

### **When was the Local Option Tax approved?**

- On May 23, 2006, Hailey voters approved implementation of the Local Option Tax (LOT).

### **What is the Local Option Tax?**

- A three percent (3%) tax on the rental vehicle charge for each rental vehicle rented or leased within the city.
- A three percent (3%) 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 does the Local Option Tax begin?**

- First taxes should be collected on sales made beginning July 1, 2006.

### **How do I get started?**

- File a Municipal Non-Property Sales Tax Permit application to obtain a tax permit number. Each business will be assigned a tax permit number.

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

- 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).
- 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.

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

- 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.
- Returns must be filed even if no tax is due.