In May 2006, the citizens of Hailey voted in favor of a Local Option Tax (LOT), or tourism tax, to help offset the financial impact of tourism on the city. Receipts for July 2006 sales were collected in August of that year; through June of 2011 $1,644,013 has been received.

Total receipts for the fiscal year ended 9/30/09 (FYE 09) were 18% less than the previous year and have stabilized since then. The LOT represents 7.1% of the General Fund revenue; FYE 11 has budgeted $300,000 in LOT revenue. Proceeds are allocated to Mountain Rides, Hailey Chamber, Hailey Fire Department, Hailey Parks Department, sidewalk and street maintenance, Hailey Public Arts, Historic Preservation Committee and Hailey Police Department.