

# LEGAL NOTICE TO ALL THOSE RENTING OR CONSIDERING RENTING YOUR HOME, VACATION HOME, or RESIDENTIAL DWELLING ON A TRANSIENT BASIS

The Enter Municipality enacted a Room Tax Ordinance, developed through guidelines in State Statute 66.0615-Room Tax. This requires all those who rent their dwelling on a transient basis (less than 29 consecutive days) to collect a 4.5% room tax and forward that collected to the Enter Municipality quarterly.

All those who rent their dwelling must also collect and forward the imposed State tax of 5% and County tax of .5% as required by the Wisconsin Department of Revenue.

ADDITIONALLY –Act 59 of the Wisconsin State Budget. This Act enables anyone to rent their residential dwelling on a transient basis regardless of prior zoning restrictions.

**\*\*Whether you provide transient rentals once a month, once a year, or periodically, you are still required to comply with the laws (ordinances) in place. Your frequency of rental does not absolve you from complying. In the event of non-compliance, the Town has the authority to contact the Wisconsin Department of Revenue to audit your financials to make a determination of collections. \*\***

Before you rent, please contact:           Jane Micolichek  
9193 N. Main St – Hiles WI 54511  
715-784-1361 or Email – townofhiles@outlook.com

And

Forest County Planning and Zoning  
Jean Fannin  
715-478-3893 or Email - fczone@co.forest.wi.us

To receive your packet detailing step by step compliance procedures, including:

- 1) Information on complying with Municipal and State laws regarding transient rentals
- 2) Securing your Wisconsin State Sales Taxpayer ID
- 3) Obtaining a local Accommodation Permit
- 4) Collecting and forwarding the combined 10% Taxes to the appropriate entity (State and County to the Wisconsin Department of Revenue monthly, and Room Tax to the Town of HILES quarterly)

#### References:

- [https://datcp.wi.gov/pages/programs\\_services/touristroominghouses.aspx](https://datcp.wi.gov/pages/programs_services/touristroominghouses.aspx)
- <https://www.revenue.wi.gov/Pages/TaxPro/Short-Term-Lodging-Marketplaces-Must-Obtain-a-License-to-Collect-Wisconsin-Taxes.aspx>
- <https://www.wisconsinlodging.org/roomtax>

**66.0615 Room tax; forfeitures.**

**(1)** In this section:

- (a)** "Commission" means an entity created by one municipality or by 2 or more municipalities in a zone, to coordinate tourism promotion and tourism development for the zone.
- (am)** "District" has the meaning given in s. 229.41 (4m).
- (b)** "Hotel" has the meaning given in s. 77.52 (2) (a) 1.
- (bt)** "Marketplace provider" has the meaning given in s. 77.51 (7i), to the extent that the marketplace provider facilitates the sale or furnishing of rooms, lodging, or other accommodations to transients under sub. (1m) (a).
- (bu)** "Marketplace seller" has the meaning given in s. 77.51 (7j).
- (c)** "Motel" has the meaning given in s. 77.52 (2) (a) 1.
- (d)** "Municipality" means any city, village or town.
- (de)** "Occupant" means a person who rents a short-term rental through a marketplace provider.
- (df)** "Owner" means the person who owns the residential dwelling that has been rented.
- (di)** "Residential dwelling" means any building, structure, or part of the building or structure, that is used or intended to be used as a home, residence, or sleeping place by one person or by 2 or more persons maintaining a common household, to the exclusion of all others.
- (dk)** "Short-term rental" means a residential dwelling that is offered for rent for a fee and for fewer than 30 consecutive days.
- (dm)** "Sponsoring municipality" means a city, village or town that creates a district either separately or in combination with another city, village, town or county.
- (e)** "Tourism" means travel for recreational, business or educational purposes.
- (f)** "Tourism entity" means a nonprofit organization that came into existence before January 1, 2015, spends at least 51 percent of its revenues on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality, except that if no such organization exists, a municipality may contract with one of the following entities:
  - 1. A nonprofit organization that spends at least 51 percent of its revenues on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality.
  - 2. A nonprofit organization that was incorporated before January 1, 2015, spends 100 percent of the room tax revenue it receives from a municipality on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality.
- (fm)** "Tourism promotion and tourism development" means any of the following that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment on which a tax under sub. (1m) (a) may be imposed, that are owned by different persons and located within a municipality in which a tax under this section is in effect; or, if the municipality has only one such establishment, reasonably likely to generate paid overnight stays in that establishment:
  - 1. Marketing projects, including advertising media buys, creation and distribution of printed or electronic promotional tourist materials, or efforts to recruit conventions, sporting events, or motorcoach groups.
  - 2. Transient tourist informational services.
  - 3. Tangible municipal development, including a convention center.
- (g)** "Transient" has the meaning given in s. 77.52 (2) (a) 1.

**(h)** "Zone" means an area made up of 2 or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public.

**(1m)**

**(a)** The governing body of a municipality may enact an ordinance, and a district, under par. (e), may adopt a resolution, imposing a tax on the sales price from selling or furnishing, at retail, except sales for resale, rooms or lodging to transients by hotelkeepers, motel operators, marketplace providers, owners of short-term rentals, and other persons or retailers selling or furnishing accommodations that are available to the public, irrespective of whether membership is required for use of the accommodations. A tax imposed under this paragraph may be collected from the consumer or user, but may not be imposed on sales to the federal government and persons listed under s. 77.54 (9a). A tax imposed under this paragraph by a municipality shall be paid to the municipality and, with regard to any tax revenue that may not be retained by the municipality, shall be forwarded by the municipality to a tourism entity or a commission if one is created under par. (c), as provided in par. (d). Except as provided in par. (am), a tax imposed under this paragraph by a municipality may not exceed 8 percent of the sales price. Except as provided in par. (am), if a tax greater than 8 percent of the sales price under this paragraph is in effect on May 13, 1994, the municipality imposing the tax shall reduce the tax to 8 percent, effective on June 1, 1994.

**(am)** A municipality that imposes a room tax under par. (a) is not subject to the limit on the maximum amount of tax that may be imposed under that paragraph if any of the following apply:

1. The municipality is located in a county with a population of at least 380,000 and a convention center is being constructed or renovated within that county.
2. The municipality intends to use at least 60 percent of the revenue collected from its room tax, of any room tax that is greater than 7 percent, to fund all or part of the construction or renovation of a convention center that is located in a county with a population of at least 380,000.
3. The municipality is located in a county with a population of less than 380,000 and that county is not adjacent to a county with a population of at least 380,000, and the municipality is constructing a convention center or making improvements to an existing convention center.
4. The municipality has any long-term debt outstanding with which it financed any part of the construction or renovation of a convention center.

**(b)**

1. If a single municipality imposes a room tax under par. (a), the municipality may create a commission under par. (c). The commission shall contract with another organization to perform the functions of a tourism entity if no tourism entity exists in that municipality.
2. If 2 or more municipalities in a zone impose a room tax under par. (a), the municipalities shall enter into a contract under s. 66.0301 to create a commission under par. (c). If no tourism entity exists in any of the municipalities in the zone that have formed a commission, the commission shall contract with another organization in the zone to perform the functions of the tourism entity. Each municipality in a single zone that imposes a room tax shall levy the same percentage of tax. If the municipalities are unable to agree on the percentage of tax for the zone, the commission shall set the percentage.
3. A commission shall monitor the collection of room taxes from each municipality in a zone that has a room tax.
4. A commission shall contract with one tourism entity from the municipalities in the zone to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.

**(c)**

1. If a commission is created by a single municipality, the commission shall consist of 4 to 6 members. One of the commission members shall represent the Wisconsin hotel and motel industry. Members shall be appointed under subd. 3.
2.
  - a. If the commission is created by more than one municipality in a zone, the commission shall consist of 3 members from each municipality in which annual tax collections exceed \$1,000,000, 2 members

from each municipality in which annual tax collections exceed \$300,000 but are not more than \$1,000,000 and one member from each municipality in which annual tax collections are \$300,000 or less. Except as provided in subd. 2. b., members shall be appointed under subd. 3.

- b. Two additional members, who represent the Wisconsin hotel and motel industry, shall be appointed to the commission by the chairperson of the commission, shall serve for a one-year term at the pleasure of the chairperson and may be reappointed.
3. Members of the commission shall be appointed by the principal elected official in the municipality and shall be confirmed by a majority vote of the members of the municipality's governing body who are present when the vote is taken. Commissioners shall serve for a one-year term, at the pleasure of the appointing official, and may be reappointed.
4. The commission shall meet regularly, and, from among its members, it shall elect a chairperson, vice chairperson and secretary.
5. The commission shall report any delinquencies or inaccurate reporting to the municipality that is due the tax.

**(d)**

1. A municipality that first imposes a room tax under par. (a) after May 13, 1994, shall spend at least 70 percent of the amount collected on tourism promotion and tourism development. Any amount of room tax collected that must be spent on tourism promotion and tourism development shall either be forwarded to the commission for its municipality or zone if the municipality has created a commission, or forwarded to a tourism entity.
  2. Subject to par. (dm), if a municipality collects a room tax on May 13, 1994, it may retain not more than the same percentage of the room tax that it retains on May 13, 1994. If a municipality that collects a room tax on May 1, 1994, increases its room tax after May 1, 1994, the municipality may retain not more than the same percentage of the room tax that it retains on May 1, 1994, except that if the municipality is not exempt under par. (am) from the maximum tax that may be imposed under par. (a), the municipality shall spend at least 70 percent of the increased amount of room tax that it begins collecting after May 1, 1994, on tourism promotion and development. Any amount of room tax collected that must be spent on tourism promotion and tourism development shall either be forwarded to the commission for its municipality or zone if the municipality has created a commission, or forwarded to a tourism entity.
  3. A commission shall use the room tax revenue that it receives from a municipality for tourism promotion and tourism development in the zone or in the municipality.
  4. The commission shall report annually to each municipality from which it receives room tax revenue the purposes for which the revenues were spent.
  5. The commission may not use any of the room tax revenue to construct or develop a lodging facility.
  6. If a municipality issued debt or bond anticipation notes before January 1, 2005, to finance the construction of a municipally owned convention center or conference center, nothing in this section may prevent the municipality from meeting all of the terms of its obligation.
  7. Notwithstanding the provisions of subds. 1. and 2., any amount of room tax revenue that a municipality described under s. 77.994 (3) is required to spend on tourism promotion and tourism development shall be forwarded to, and spent by, the municipality's tourism entity, unless the municipality creates a commission and forwards the revenue to the commission.
  8. The governing body of a tourism entity shall include either at least one owner or operator of a lodging facility that collects the room tax described in this section and that is located in the municipality for which the room tax is collected or at least 4 owners or operators of lodging facilities that collect the room tax described in this section and that are located in the zone for which the room tax is collected. Subdivision 4., as it applies to a commission, applies to a tourism entity.
- (dm)** Beginning with the room tax collected on January 1, 2017, by a municipality that collected a room tax on May 13, 1994, as described in par. (d) 2., and retained more than 30 percent of the room tax collected for purposes other than tourism promotion and tourism development, such a municipality may continue to retain, each year, the greater of either 30 percent of its current year revenues or one of the following amounts:

1. For fiscal year 2017, the same dollar amount of the room tax retained as the municipality retained in its 2014 fiscal year.
2. For fiscal year 2018, the same dollar amount of the room tax retained as the municipality retained in its 2013 fiscal year.
3. For fiscal year 2019, the same dollar amount of the room tax retained as the municipality retained in its 2012 fiscal year.
4. For fiscal year 2020, the same dollar amount of the room tax retained as the municipality retained in its 2011 fiscal year.
5. For fiscal year 2021 and thereafter, the same dollar amount of the room tax retained as the municipality retained in its 2010 fiscal year.

**(e)**

1. Subject to subd. 2., a district may adopt a resolution imposing a room tax under par. (a) in an amount not to exceed 3 percent of total room charges. A majority of the authorized members of the district's board may vote that, if the balance in a special debt service reserve fund of the district is less than the requirement under s. 229.50 (5), the room tax imposed by the district under this subdivision is 3 percent of total room charges beginning on the next January 1, April 1, July 1 or October 1 after the payment and this tax is irrevocable if any bonds issued by the district and secured by the special debt service reserve fund are outstanding. A room tax imposed by a district under this subdivision applies within the district's jurisdiction, as specified in s. 229.43, and the proceeds of the tax may be used only for the district's debt service on its bond obligations. If a district stops imposing and collecting a room tax, the district's sponsoring municipality may impose and collect a room tax under par. (a) on the date on which the district stops imposing and collecting its room tax.
2. In addition to the room tax that a district may impose under subd. 1., if the district's only sponsoring municipality is a 1st class city, the district may adopt a resolution imposing an additional room tax. The additional percentage of room tax under this subdivision shall be equal to the percentage of room tax imposed by the sponsoring municipality on the date on which the sponsoring municipality agrees to stop imposing and collecting its room tax, as described under s. 229.44 (15). A district shall begin collecting the additional room tax imposed under this subdivision on the date on which the sponsoring municipality stops imposing and collecting its room tax. A room tax imposed by a district under this subdivision applies only within the borders of the sponsoring municipality and may be used for any lawful purpose of the district.
3. A district adopting a resolution to impose the taxes under subd. 1. or 2. shall deliver a certified copy of the resolution to the secretary of revenue at least 120 days before its effective date.

**(f)**

1. The department of revenue shall administer the tax that is imposed under par. (a) by a district and may take any action, conduct any proceeding and impose interest and penalties.
2. Sections 77.51 (12m), (13), (14), (14g), (15a), (15b), and (17), 77.52 (3), (3m), (13), (14), (18), and (19), 77.522, 77.523, 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2), (3m), (5), (8), (9), (12) to (15), and (19m), and 77.62, as they apply to the taxes under subch. III of ch. 77, apply to the tax described under subd. 1.
3. From the appropriation under s. 20.835 (4) (gg), the department of revenue shall distribute 97.45 percent of the taxes collected under this paragraph for each district to that district and shall indicate to the district the taxes reported by each taxpayer in that district, no later than the end of the month following the end of the calendar quarter in which the amounts were collected. The taxes distributed shall be increased or decreased to reflect subsequent refunds, audit adjustments and all other adjustments. Interest paid on refunds of the tax under this paragraph shall be paid from the appropriation under s. 20.835 (4) (gg) at the rate under s. 77.60 (1) (a). Any district that receives a report along with a payment under this subdivision or subd. 2. is subject to the duties of confidentiality to which the department of revenue is subject under s. 77.61 (5).
5. Persons who are subject to the tax under this subsection, if that tax is administered by the department of revenue, shall register with the department. Any person who is required to register, including any person authorized to act on behalf of a person who is required to register, who fails to do so is guilty

of a misdemeanor.

**(g)** Sections 77.51 (10), (12m), (13), (13g), (14), (14g), (15a), (15b), and (17), 77.52 (3), (3m), (13), (14), (18), and (19), 77.522, 77.523, 77.53 (7), 77.54, 77.58 (6m), and 77.585, as they apply to the taxes under subch. III of ch. 77, shall apply to the tax imposed under par. (a) by a municipality.

**(1r)**

**(a)** A marketplace provider shall collect the tax imposed by a municipality under sub. (1m) for a marketplace seller, unless the marketplace provider has been issued a waiver under s. 77.52 (3m) (b) or (c), and forward it to the municipality, on a quarterly basis, along with a form prepared by the department of revenue as described under par. (b), except that a marketplace provider shall forward the tax to the municipality more frequently if the marketplace provider and the municipality enter into a written agreement providing for more frequent submissions. The marketplace provider shall notify the marketplace seller that the marketplace provider has collected and forwarded the taxes described in this paragraph. A municipality may not impose and collect a room tax from the marketplace seller if the municipality collects the room tax as described in this paragraph.

**(b)** The form prepared by the department of revenue as described under par. (a) shall contain at least the following information about the room tax imposed under sub. (1m) on the marketplace provider:

1. The total sales for properties located in a municipality with a room tax.
2. The total number of nights properties located in a municipality with a room tax were rented.
3. The rate of the room tax applied to the amount specified in subd. 1.
4. The total tax due for properties located in a municipality with a room tax.

**(c)** No later than September 29, 2021, and updated annually, the department of revenue shall create a website that contains the following information about room tax collections:

1. The name and mailing address of each municipality that imposes a room tax under sub. (1m).
2. The rate of the room tax imposed by each municipality specified in subd. 1.

**(2)** As a means of enforcing the collection of any room tax imposed by a municipality or a district under sub. (1m), the municipality or district may do any of the following:

**(a)** If a municipality or district has probable cause to believe that the correct amount of room tax has not been assessed or that the tax return is not correct, inspect and audit the records of any person subject to sub. (1m) pertaining to the furnishing or selling of accommodations to determine the correct amount of room tax due. A determination under this paragraph shall be provided in writing within 4 years after the due date of the return, unless no return has been filed.

**(b)** Enact a schedule of forfeitures, not to exceed 5 percent of the tax under sub. (1m) or par. (c), to be imposed on any person subject to sub. (1m) who fails to comply with a request to inspect and audit the person's records under par. (a).

**(c)** Determine the tax under sub. (1m) according to its best judgment if a person required to make a return fails, neglects or refuses to do so for the amount, in the manner and form and within the time prescribed by the municipality or district.

**(d)** Require each person who is subject to par. (c) to pay an amount of taxes that the municipality or district determines to be due under par. (c) plus interest at the rate of 1 percent per month on the unpaid balance. No refund or modification of the payment determined may be granted until the person files a correct room tax return and permits the municipality or district to inspect and audit his or her financial records under par. (a).

**(e)** Enact a schedule of forfeitures, not to exceed 25 percent of the room tax due for the previous year under sub. (1m) or par. (c) or \$5,000, whichever is less, to be imposed for failure to pay the tax under sub. (1m). This paragraph also applies to a marketplace provider that is required to collect and remit taxes imposed by a municipality under sub. (1m), but that fails to file a return as required in sub. (1r) or pay the required tax.

**(2m)**

**(a)** To enforce the collection of a room tax imposed by a district under sub. (1m), the district may exchange audit and other information relating to the room tax with the department of revenue.

**(b)** To enforce the collection of a room tax imposed by a municipality under sub. (1m), the municipality may jointly inspect and audit the room tax records of a person subject to sub. (1m) with other

municipalities only for the purpose of conducting a joint room tax audit. A municipality may provide audit and other information to the department of revenue, and may exchange audit and other room tax related information with any municipality that took part in conducting the joint audit.

- (3) The municipality shall provide by ordinance and the district shall provide by resolution for the confidentiality of information obtained under subs. (1r) and (2) but shall provide exceptions for persons using the information in the discharge of duties imposed by law or of the duties of their office or by order of a court. The municipality or district may provide for the publishing of statistics classified so as not to disclose the identity of particular returns. The municipality or district shall provide that persons violating ordinances or resolutions enacted under this subsection may be required to forfeit not less than \$100 nor more than \$500.
- (4)
- (a) Except as provided in par. (d), annually, on or before May 1, on a form created and provided by the department of revenue, every municipality that imposes a tax under sub. (1m) shall certify and report to the department all of the following:
1. The amount of room tax revenue collected, and the room tax rate imposed, by the municipality in the previous year.
  2. A detailed accounting of the amounts of such revenue that were forwarded in the previous year for tourism promotion and tourism development, specifying the commission or tourism entity that received the revenue. The detailed accounting shall include expenditures of at least \$1,000 made by a commission or a tourism entity.
  3. A list of each member of the commission and each member of the governing body of a tourism entity to which the municipality forwarded room tax revenue in the previous year, and the name of the business entity the member owns, operates, or is employed by, if any.
  4. For a municipality subject to sub. (1m) (dm), the amount of the room tax retained by the municipality in each of the following fiscal years: 2010, 2011, 2012, 2013, and 2014.
- (b) The department of revenue shall collect the reports described in par. (a) and shall make them available to the public.
- (c) The department of revenue may impose a penalty of not more than \$3,000 on a municipality that does not submit to the department the reports described in par. (a). A municipality may not use room tax revenue to pay a penalty imposed under this paragraph. The penalty shall be paid to the department of revenue.
- (d) Notwithstanding the requirement in par. (a) (intro.), the information specified in par. (a) 4. may be certified and reported to the department only once if the municipality submits the information not later than May 1, 2022. The department shall make such information available to the public annually in the report described in par. (a) (intro.).

**History:** 1983 a. 189, 514; 1993 a. 263, 467, 491; 1999 a. 9; 1999 a. 150 ss. 565 to 567; Stats. 1999 s. 66.0615; 2003 a. 203; 2005 a. 135; 2007 a. 20; 2009 a. 2; 2011 a. 18, 32; 2013 a. 20; 2015 a. 55, 60, 301; 2017 a. 59; 2019 a. 10; 2021 a. 55.

A city was authorized to enact a room tax. The gross receipts method was a fair and reasonable way of calculating the tax. *Blue Top Motel, Inc. v. City of Stevens Point*, 107 Wis. 2d 392, [320 N.W.2d 172](#) (1982).

Under sub. (1m) (am), this section favors expenditures to construct or improve convention facilities. However, sub. (1m) (am), only addresses when a municipality may impose a room tax rate of greater than 8 percent and is irrelevant when the city has not exceeded that maximum. The only restrictions the rest of the statute places on the use of room tax monies are found in sub. (1m) (d), which directs a municipality to spend a certain percentage on “tourism promotion and development, which means the promotion and development of travel for recreational, business, or educational purposes. *English Manor Bed and Breakfast v. City of Sheboygan*, 2006 WI App 91, 292 Wis. 2d 762, [716 N.W.2d 531](#), 05-1358.

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Provided as a service of the Wisconsin Hotel & Lodging Association. This is not intended to replace qualified legal counsel. For Wisconsin Room Tax resources, visit [www.WisconsinLodging.org/roomtax](http://www.WisconsinLodging.org/roomtax).

Contact: Bill Elliott, CAE (President & CEO) | 262-782-2851 ext. 10 | [belliot@wisconsinlodging.org](mailto:belliot@wisconsinlodging.org) | July 2021

## **Instructions for Completing a Conditional Use Application**

(ALL INFORMATION SHALL BE PRINTED OR TYPEWRITTEN)

### **1. Conditional Use Permit (CUP)**

Any application for approval of any CUP, may be filed by a person having an interest in the property to be included in the project.

### **2. The Application shall include the following:**

A signed statement from the applicant stating:

1. The name and address of the applicant
2. A summary in less than 500 words that describes the nature and scope of the project
3. A legal document description of all land proposed to be included in the project.
4. Parcel ID number
5. A description of the applicants ownership interest in the property.
6. A statement that all information is accurate and complete to the best of the applicants knowledge.

### **3. Project Maps**

Maps prepared showing the proposed boundaries as it currently exists. The maps shall show the following at an appropriate scale.

1. Boundaries of the property and location of monuments
2. All major drainages.
3. Size of property
4. Site vicinity map.
5. Neighboring land and water uses
6. Adjacent roadways and distances to public road to which access is proposed.
7. Existing structures or other man-made features.
8. Size and location of on-site waste disposal system

### **4. Other information**

Any other information necessary for the Committee to assess probable physical, developmental, or environmental impacts of the project.

**FOREST COUNTY  
CONDITIONAL USE PERMIT  
APPLICATION**

Owner's Name: \_\_\_\_\_

Owner's Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Daytime Telephone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Location of Project: \_\_\_\_\_

Zoning District: \_\_\_\_\_

Legal Description: \_\_\_\_\_ 1/4 \_\_\_\_\_ 1/4 Section \_\_\_\_\_, Township \_\_\_\_\_ N, Range \_\_\_\_\_ E

Parcel ID: \_\_\_\_\_

Proposed Project:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The property owner agrees to allow free and unlimited access to the projects during daylight hours to the Zoning Committee, member, or Zoning employee who is investigating the project's construction, operation or maintenance.

Violation of any condition shall be deemed a violation of the ordinances. Any person who has applied for, received a permit, and begins work on the project acknowledges that they have read, understand, and agree to follow all condition of the permit as granted.

All information contained herewith is accurate and complete to the best of my knowledge. A permit issued under mistake or fact or in violation of this ordinance, Wisconsin Administrative code, or Wisconsin Statutes gives permittee no vested right and is revocable.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

THINKING OF  
**RENTING OUT YOUR PROPERTY**  
FOR OVERNIGHT STAYS?



***Protect yourself by knowing Wisconsin's  
laws for short term rentals.***

a collaboration of:  
League of Wisconsin Municipalities  
Wisconsin Counties Association  
Wisconsin Department of Agriculture, Trade and Consumer Protection  
Wisconsin Hotel & Lodging Association  
Wisconsin Insurance Alliance

# KNOWLEDGE IS THE KEY

Owners thinking of renting out a room, home, second home, investment property, cabin or basically any structure for overnight stays to the general public for a fee may not be aware of what they must do, by law, or what they may want to do to protect themselves, their property, and the guests paying to stay there. Each state is different in how such rentals are regulated, which makes it confusing for owners just wanting to start selling overnight stays at their property.

This guide offers the basics of what an owner needs to know before starting to rent out their property to the public, and the summaries are provided by a collaboration of experts in each facet of the rental operation, to ensure you know and can comply with various laws, and that you can take appropriate steps to avoid surprises for you or your guests that can have measurable safety or financial consequences. Each component provides references to further, more in depth information for you to explore. It is not intended as a comprehensive guide listing every consideration that may arise, but provides the highlights and entry level basics.

Every owner should review this guide when considering renting out their property for overnight stays, as knowledge is the key to protecting your investments.

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## COMPLYING WITH MUNICIPAL LAWS

So, you have decided to become a short term rental landlord. All you need to do now is clean up the place, advertise and wait for the rental requests to roll in right?

Wrong.

Before you start to do any of those things, you must first make sure your short-term rental idea is legal in your community and what you need to do to keep it legal. This requires getting some answers to some critical questions:

- Do you have the right zoning for short-term rental?
- Does your community have a room tax ordinance?
- Are there different building code requirements for a property engaged in commercial activity in your community?

These are just a few questions that must be asked and answered before you start renting. In some smaller communities, one person at the village or city hall, might be able answer all of the relevant questions. In others, you may have to talk to several different officials. However, in most communities whether large or small, the best place to start is with your city or village clerk. If you live in an unincorporated area, you should check with your county land use department.

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# LICENSING FOR PUBLIC LODGING

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The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) requires all lodging facilities in Wisconsin to hold a current license.

## What counts as a lodging facility?

DATCP has several definitions for types of lodging facilities. They include:

- Hotel - A hotel is defined as "a place where sleeping accommodations are offered for pay to transients, in 5 or more rooms, and all related rooms, buildings and areas."
- Motel - Means the same as a Hotel except that guest parking is provided on premise as part of the room charge.
- Tourist Rooming House (TRH) - A TRH is defined as "all lodging places and tourist cabins and cottages, other than hotels and motels, in which sleeping accommodations are offered for pay to tourists or transients."
- Bed and Breakfast (B&B) – A B&B is defined as "any place of lodging that provides 8 or fewer rooms for rent to no more than a total of 20 tourists or other transients for more than 10 nights in a 12 month period, is the owner's personal residence, is occupied by the owner at time of rental, and in which the only meal served to guests is breakfast."

These definitions mention tourists or transients. DATCP has defined a tourist or transient as "a person who travels to a location away from his or her permanent address for a short period of time for vacation, pleasure, recreation, culture, business or employment." Notice that in the definition for tourists or transients a person has to be away from his or her permanent address in order to meet the definition. It does not matter if the tourist or transient is there for the season, the month, a week, a day or less. If it is rented to a tourist or transient, it will require a license.

Lodging facilities come in many forms. Common examples of lodging facilities requiring a DATCP license include: hotels, motels, B&B's, row houses, cabins, cottages, lodges, homes, condos or rental rooms located above a business.

## Where do I begin?

Begin the process by contacting a DATCP licensing specialist. They will walk you through the process and help you determine the best license for your lodging operation. They can provide you with an information packet that will guide you through the licensing process. You can contact them by sending an e-mail to [datcpdfslicensing@wisconsin.gov](mailto:datcpdfslicensing@wisconsin.gov) or by calling 608/224-4923. After you submit a license application, a Sanitarian will be assigned to your business. The Sanitarian is the inspector responsible for approving your lodging license. They assure that the lodging operation meets health and safety requirements.

Once you know who your Sanitarian is, arrange a time to meet with the Sanitarian at your facility. This arranged meeting is called a Pre-Licensing Inspection. During this inspection your Sanitarian will share with you the applicable code requirements that your structure must meet.

Depending on the type of structure, some of the common items of public health concern may include:

Proper building exits/escapes	Directions of escape	Facility cleanliness
Door locks	Proper linen and towel handling	Size of sleeping rooms
Proper disposal of garbage/solid waste	Proper wastewater disposal (black and gray water)	A recent water test report for private wells (bacteriologically safe)
Fire extinguisher number and placement, fire alarm systems	Smoke/carbon monoxide detector number and placement	Ventilation and combustion air for fuel fired appliances like furnaces, boilers, fireplaces, water heaters & dryers

## COLLECTING & REMITTING STATE, COUNTY AND LOCAL TAXES

The Wisconsin Department of Revenue has issued public guidance on its website clarifying that the imposition of state sales tax and local room tax on the rental of overnight lodging applies, with the exception of annual sales of less than \$1,000: <https://www.revenue.wi.gov/taxpro/news/2016/160125.html>

It specifically states "Homeowners or other individuals who make rooms or lodging available to the public for periods less than one month, must report and pay Wisconsin sales tax on such rentals. This includes the short-term rental of a home, room, apartment, cabin, inn, motel, or any other building in which accommodations are made available to the public."

Wisconsin Statute 66.0615 provides the authority and requirements for a *municipal room tax*. If a Wisconsin municipality has imposed a local room tax, it is imposed "on the privilege of **furnishing, at retail**, except sales for resale, **rooms or lodging to transients** by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public." View the complete statute here: <https://docs.legis.wisconsin.gov/statutes/statutes/66/VI/0615>

### Federal Income Tax from Renting Residential & Vacation Property

The Internal Revenue Service (IRS) has issued a summary page relating to Renting Residential and Vacation Property where they address the treatment of Rental Income. For their complete statement and their links to further, more extensive guides, such as IRS Publication 527 Residential Rental Property (Including Rental of Vacation Homes), go to <https://www.irs.gov/taxtopics/tc415.html>.

## PROPERTY RISKS, LIABILITY & OBTAINING INSURANCE COVERAGE

If you are considering renting out your home, your guest room or even your couch your first step should be to **contact your insurance professional**. Online platforms for renting your property to the public for overnight stays, such as Airbnb, can be a great way to bring in extra money and are increasingly popular; however, they can also leave you financially vulnerable. If your renter starts a fire and damages your property or is hurt while renting your home, will you be protected?

Before embarking on a home or property rental financial arrangement, call your insurance professional and get their advice. In general, if you are only planning to rent your home out for a single occasion, many insurance companies will extend your coverage to the renter. **The one caveat is that the insurer must be notified ahead of time.**

It is not unusual for someone to rent out their home or part of it for a major event when there may not be enough hotel space available in the area. Many insurance companies take this situation into account when creating a homeowners or renters policy; other insurance companies may require the purchase of an endorsement to the policy to provide broader coverage for the renters in your home.

If you plan to rent out all or part of your home on a regular basis, many companies will consider this a business use. Standard homeowners and renters insurance policies are designed for personal risks, not commercial risks. In this case you will need to purchase a business policy—specifically either a hotel or a bed & breakfast policy. Some companies offer a home-sharing liability insurance policy that can be purchased on a month-to-month basis, but there may be exclusions and limitations, so read the policy carefully.

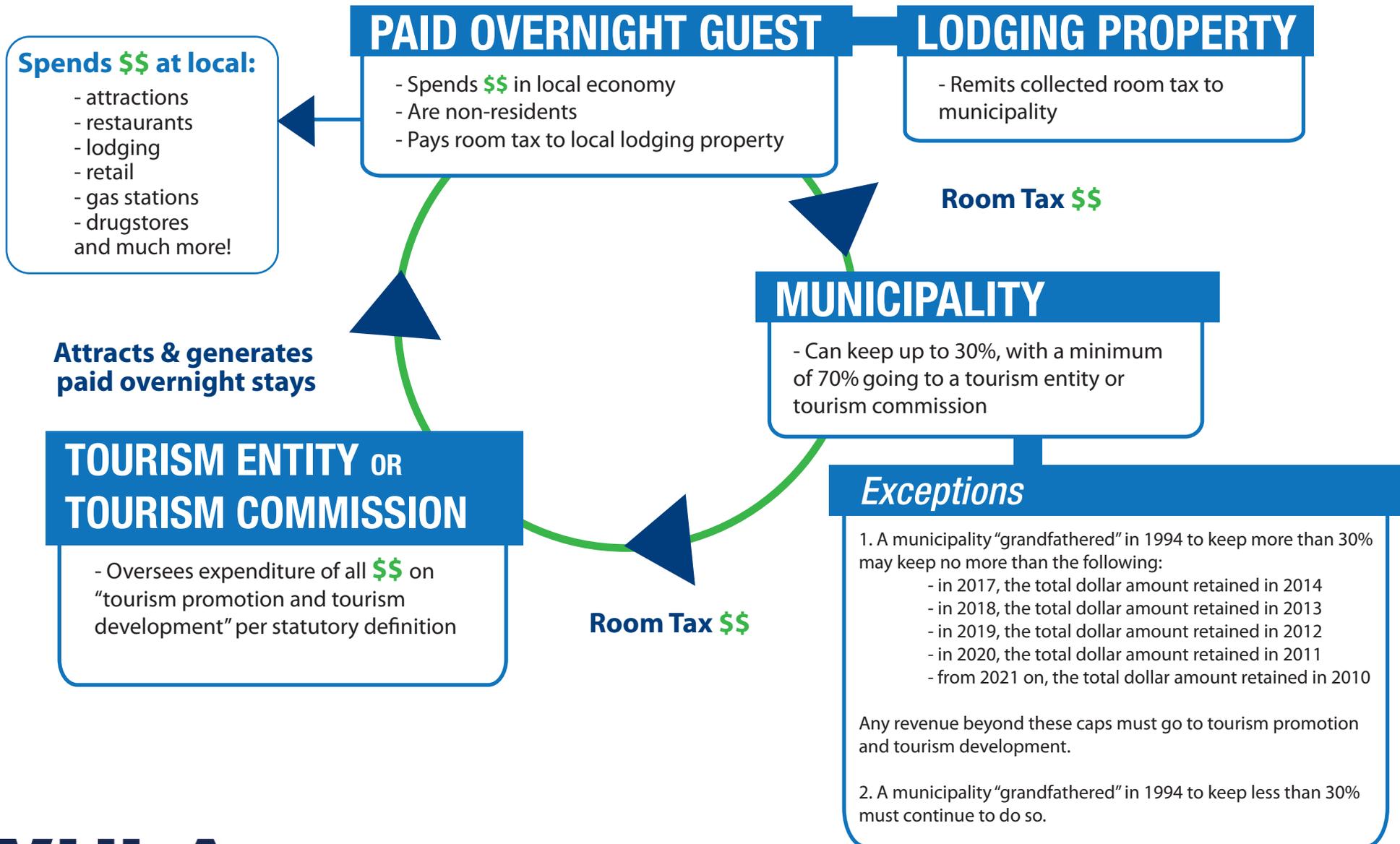
*This compilation was possible thanks to submissions by experts at the state DATCP agency, the Wisconsin Hotel & Lodging Association, the League of Wisconsin Municipalities, the Wisconsin Insurance Alliance, and the Wisconsin Counties Association. Additional components may be added as more information is contributed.*

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December 2016

# Wisconsin Local Room Tax Model

Effective July 15, 2015



# Local Room Tax

(sec. 66.0615, Wis. Stats.)

## 2015 Wisconsin Act 55

Within the 2015-2017 budget (2015 Wisconsin Act 55), the state modified sec. 66.0615, Wis. Stats.

### Summary of Changes

- "Tourism promotion and development" is replaced with "tourism promotion and tourism development"
- Effective with taxes collected and expenditures made on January 1, 2017:
  - » A municipality must forward to a tourism entity or commission, any room tax revenue exceeding the amount the municipality may retain. This room tax revenue must be spent on tourism promotion and tourism development. It cannot be spent directly by the municipality.
  - » A municipality that collected room tax on May 13, 1994 and retained more than 30% for purposes other than tourism promotion and development, may continue to retain the greater of either 30% of its current year room tax revenues, **or**:

For Fiscal Year	Room Tax Amount Retained in Fiscal Year
FY2017	FY2014
FY2018	FY2013
FY2019	FY2012
FY2020	FY2011
FY2021 and forward	FY2010

- A tourism entity's governing body must include at least one owner or operator of a lodging facility that collects room tax and is located within the municipality

### Definitions

- **Tourism Entity** – a nonprofit organization that came into existence before January 1, 1992, spends at least 51% of its revenues on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality. **Exception:** If no such organization exists in a municipality on January 1, 2016, a municipality may contract with such an organization if one is created in the municipality.
- **Commission** – an entity created by one municipality (or by two or more municipalities in a zone) to coordinate tourism promotion and tourism development for the zone
- **Tourism Promotion and Tourism Development** – any of the items listed below that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment where a tax may be imposed, that are owned by different persons and located within the municipality where a tax is in effect. **Note:** If the municipality has only one such establishment, it must be reasonably likely to generate paid overnight stays in that establishment.

#### Tourism promotion and tourism development includes:

- » Marketing projects, including: advertising media buys; creation and distribution of printed or electronic promotional tourist materials; or efforts to recruit conventions, sporting events, or motor coach groups
- » Transient tourist informational services
- » Tangible municipal development, including a convention center

## New Reporting Requirements in 2017

Starting in 2017, every municipality that imposes room tax must file an annual report with the Wisconsin Department of Revenue (DOR). The form reporting 2016 activity is due May 1, 2017.

The following information from the previous year (2016) must be reported:

- Amount of room tax collected
- Room tax rate imposed
- Detailed accounting of:
  - » Amounts forwarded to a tourism entity or commission
  - » Expenditures of \$1,000 or more made by the tourism entity or commission
- For each tourism entity or commission that received room tax revenues in the previous year, a list of the commission's or tourism entity's governing body members, and the name of the business entity each member owns, operates, or is employed by (if any)
- For 2017 only, if a municipality collected room tax on May 13, 1994, the municipality must also attach:
  - » The room tax ordinance that was in effect on May 13, 1994
  - » A copy of the municipality's financial statement that was completed nearest to May 13, 1994 showing the percentage of room tax revenues the municipality retained for purposes other than tourism promotion and development

## Common Questions

### 1. What is local room tax?

A municipality (town, village, or city) may impose room tax on the privilege of furnishing at retail (except sales for resale), rooms or lodging to transients by hotelkeepers, motel operators and other persons furnishing accommodations that are available to the public. The tax may not exceed 8%, unless exempt under sec. 66.0615(1m)(am), Wis. Stats.

### 2. How does a municipality submit its annual room tax report?

DOR will provide an electronic form with instructions including how to complete and submit the annual room tax report.

### 3. Will annual room tax reports be available to the public?

Yes. Annual room tax reports will be available on the DOR website.

### 4. What does a municipality do if it cannot provide the room tax ordinance in effect on May 13, 1994?

The municipality should still complete and submit the annual room tax report. The municipality should still attach the financial statement that was completed nearest in time to May 13, 1994, which shows the percentage of room tax revenues retained by the municipality for purposes other than tourism promotion and development.

### 5. The annual room tax report requires a municipality to detail expenditures made by a tourism commission or tourism entity of \$1,000 or more. How should "Payroll" expenditures be recorded in the annual room tax report?

On the DOR e-file form, a municipality will be allowed to report 'Payroll' as one expenditure.

### 6. What happens if a municipality does not file the required annual room tax report?

If a municipality does not file the required annual report, DOR may impose a penalty of up to \$3,000.

## Certification Statement

As the Secretary of the Wisconsin Department of Revenue (DOR), I have reviewed this guidance document or proposed guidance document and I certify that it complies with secs. 227.10 and 227.11, Wis. Stats. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is not explicitly required or explicitly permitted by a statute or rule that has been lawfully promulgated. I further certify that the guidance document or proposed guidance document contains no standard, requirement, or threshold that is more restrictive than a standard, requirement, or threshold contained in the Wisconsin Statutes.

DEPARTMENT OF REVENUE

A handwritten signature in black ink that reads "Peter W. Barca". The signature is written in a cursive style with a large initial "P" and "B".

Peter Barca

Secretary of Revenue



# HOW CAN ROOM TAX BE SPENT?



Up to **30%** can go to **municipality**, unless municipality has been grandfathered in at a different rate.

At least **70%** must be spent on **Tourism Promotion and Tourism Development**.



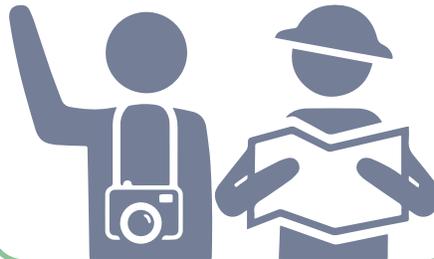
What expenditures are eligible?  
*(Answer "yes" to all three)*



Is it reasonably likely to generate **paid overnight stays** in multiple lodging properties?

- If municipality only has one property, is it likely to generate stays there?
- If you aren't sure, ask a lodging property operator!

Will it be significantly used by **transient tourists**?



Will it be for a Marketing Project, Tourist Information, or Tangible Municipal Development?

- **Ad buys/marketing** of tourist materials
- **Tourist services** creating overnight guests
- Funding a **convention center**



Make sure it complies — public reports are required to be filed by May 1 every year!



# Tourism Commission Overview

The following is a basic overview of the components of WI. Room Tax Statute 66.0615 specifically relating to tourism commissions.

**Definition of “Commission”:** An entity created by one municipality or by 2 or more municipalities in a zone, to coordinate tourism promotion and tourism development for the zone.

## Tourism Commission FOR A SINGLE MUNICIPALITY

**Composition:** 4-6 members. One of the members shall represent the Wisconsin hotel and motel industry.

**Appointed by:** The principal elected official in the municipality, with confirmation required by a majority vote of the members of the municipality’s governing body present when the vote is taken.

**Terms:** One year, at the pleasure of the appointing official. They may be re-appointed.

### **Required Actions:**

1. It shall contract with another organization to perform the functions of a tourism entity if no tourism entity exists in that municipality.
2. It shall meet regularly, and shall elect a chairperson, vice chairperson, and secretary from its members.
3. It shall use the room tax revenue that it receives from a municipality for tourism promotion and tourism development (as defined in the statute) in the municipality.
4. It shall report annually to the municipality providing the room tax revenue, the purposes for which the revenues were spent.
5. It shall report any delinquencies or inaccurate reporting to the municipality.
6. It shall not use any of the room tax revenue to construct or develop a lodging facility.
7. If a municipality issued debt or bond anticipation notes before January 1, 2005, to finance the construction of a municipally owned convention or conference center, nothing in this section may prevent the municipality from meeting all of the terms of its obligation.

## Tourism Commission FOR A TOURISM ZONE

*(“Zone” is defined in 66.0615 as “an area made up of 2 or more municipalities that, those municipalities agree, is a single destination as perceived by the traveling public”)*

**Composition:** 3 members from each municipality in which annual room tax collections exceed \$1 million. 2 members from each municipality in which annual room tax collections are more than 300,000, but less than \$1 million. One member from each municipality in which annual room tax collections are \$300,000 or less. Two additional members representing the Wisconsin hotel and motel industry shall also be appointed.

**Appointed by:** the municipality representatives shall be appointed by the principal elected official in the municipality, with confirmation required by a majority vote of the members of the municipality’s governing body present when the vote is taken. The two hotel and motel industry representatives shall be appointed by the Chairperson of the Commission.

**Terms:** One year term, at the pleasure of the appointing official, and they may be reappointed.

**Required Actions:**

1. The municipalities shall enter into a contract to create a commission.
2. It shall meet regularly, and from among its members, shall elect a chairperson, vice chairperson, and secretary.
3. Each municipality in the zone shall levy the same percentage of tax. If they are unable to agree on the percentage of tax for the zone, the commission shall set the percentage
4. It shall contract with one tourism entity from the municipalities in the zone to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.
5. If no tourism entity exists in any of the municipalities in the zone that have formed a commission, the commission shall contract with another organization in the zone to perform the functions of the tourism entity.
6. It shall use the room tax revenue that it receives from a municipality for tourism promotion and tourism development (as defined in the statute) in the zone or in the municipality.
7. It shall report annually to each municipality from which it receives room tax revenue the purposes for which the revenues were spent.
8. It shall not use any of the room tax revenue to construct or develop a lodging facility.
9. It shall monitor the collection of room taxes from each municipality in the zone that has a room tax.
10. It shall report any delinquencies or inaccurate reporting to the municipality that is due the tax.
11. If a municipality issued debt or bond anticipation notes before January 1, 2005, to finance the construction of a municipally owned convention or conference center, nothing in this section may prevent the municipality from meeting all of the terms of its obligation.



Provided as a service of the Wisconsin Hotel & Lodging Association. This is not intended to replace qualified legal counsel. For Wisconsin Room Tax resources, visit [www.WisconsinLodging.org/roomtax](http://www.WisconsinLodging.org/roomtax).

**Contact: Bill Elliott, CAE (President & CEO) | 262-782-2851 ext. 10 | [belliott@wisconsinlodging.org](mailto:belliott@wisconsinlodging.org)**

TAP 9/8/15  
BE 3/18/22



# Local Taxes

## How *Room Tax* Compares

	<b>Property Tax</b>	<b>Room Tax (Optional Tax)</b>
Who pays the tax?	<ul style="list-style-type: none"> <li>* Local residents</li> <li>* Local businesses</li> </ul>	<ul style="list-style-type: none"> <li>* Overnight guests of local lodging properties</li> <li>* Local lodging properties who must pay charge card processing fees on guest tax payments and absorb administration costs</li> </ul>
Who sets regulations on tax expenditures?	<ul style="list-style-type: none"> <li>* Local government</li> </ul>	<ul style="list-style-type: none"> <li>* State regulation is primary</li> <li>* Local ordinance can add locally-directed guidance but must comply with state regulation</li> </ul>
What is the tax intended to fund?	<p>Services and programs for:</p> <ul style="list-style-type: none"> <li>* Local residents</li> <li>* Local businesses</li> </ul>	<ul style="list-style-type: none"> <li>* Tourism Marketing Projects</li> <li>* Tourism Informational Services</li> <li>* Tourism Development</li> </ul> <p>With <u>all</u> targeted to transient tourists, and targeted to generate paid overnight stays in multiple lodging properties paying the tax</p>
Who benefits?	<ul style="list-style-type: none"> <li>* Local residents</li> <li>* Local businesses</li> </ul>	<ul style="list-style-type: none"> <li>* Overnight travellers and other out-of- town travelers</li> <li>* Broad base of local retail businesses receiving revenue from tourists (gas stations, shops &amp; malls, grocery &amp; drug stores, restaurants, lodging properties, etc.), and experiencing improved real estate value.</li> </ul>
Who determines how the tax revenue is spent?	Municipal staff with oversight of elected governing body	<ol style="list-style-type: none"> <li>1. A local Convention &amp; Visitors Bureau (CVB) or other local Tourism Entity with oversight of a Board or Tourism Commission</li> </ol> <p style="text-align: center;">OR</p> <ol style="list-style-type: none"> <li>2. A municipality, if a Tourism Commission is not appointed and if no Tourism Entity exists</li> </ol> <p><i>All determinations must be made in compliance with the state room tax statute.</i></p>

*With some limitations, the current state room tax statute also allows an allocation of up to 30 percent of room tax revenue to go to the municipality. This special revenue may be used to fund municipal services targeted for travelers; special events for residents and those visiting the area for the day; or other purposes the municipality chooses. Some municipalities with a room tax as of May 1994 are eligible to retain a percentage higher than 30 percent, with conditions outlined in the statutes.*

### Wisconsin Hotel & Lodging Association

1025 S. Moorland Road, Suite 200, Brookfield, WI 53005

262/782-2851

Trisha Pugal, CAE, President, CEO • pugal@wisconsinlodging.org

4/29/09



*\*Formerly the  
Wisconsin Innkeepers  
Association*

Serving the lodging  
industry for more  
than 100 years

## *STATEMENT*

### **Room Tax Information Deemed Confidential**

*June 1, 2011*

Within Wisconsin Statute 66.0615 there is a clause requiring municipalities that collect room tax to provide for the confidentiality of certain information obtained.

Apparently there is some confusion within some municipalities on what information should be considered confidential, and what information should be public.

The purpose of this clause in the statutes is to protect lodging property owners and operators from having the amount of room tax they have submitted become public, as this financial data reflects their business status to competitors. Thus, the Wisconsin Hotel & Lodging Association (WH&LA) supports the confidentiality of the room tax collection amounts submitted by each property.

However, releasing solely the names of all lodging properties that collect and submit room tax does not need to be kept confidential, and in fact provides an additional and reasonable system of checks and balances that can help ensure that all lodging properties in the jurisdiction are participating as required by law. The municipality as well as the lodging properties in the jurisdiction should be united in their concern that room tax obligations are fairly and universally imposed.

It is our interpretation that preventing the release of a simple roster of lodging properties that are submitting local room tax may be over-reaching the information that needs to be confidentially protected for business reasons within the room tax statute.

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**Town of Hiles**  
**9193 Main St**  
**Hiles WI 54511**

<b>OFFICE USE ONLY</b>
Permit # _____
Date Paid _____
Received by _____
Permit Sent _____

## Accommodation Rental Permit Application

*All those who provide transient rental accommodations (those under 30 days) in the Town of Hiles are required to apply for an Accommodation Rental Permit by filling out this application and forwarding to the Town Treasurer. This application must be renewed annually on January 1. You are also required to collect a 4.5% room tax, as per Town of Hiles Room Tax Ordinance, and forward that collected (along with tax form provided) quarterly to the Town of Hiles Treasurer.*

Rental Name  
& Location \_\_\_\_\_

Owner/Agent Name \_\_\_\_\_ Title \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

Number of Cabins, Motel Rooms, or other units \_\_\_\_\_

\_\_\_\_\_ First Time Permit

\_\_\_\_\_ Renewal Permit

### **ENCLOSE PERMIT FEE OF \$10.00**

Make payable to: Treasurer  
Town of Hiles  
9193 W Main St.  
Hiles, WI 54511

**Applicant Signature** \_\_\_\_\_ **Date:** \_\_\_\_\_