

CITY OF RED CLOUD NEBRASKA
Instructions for Occupation Tax on Lodging

The City of Red Cloud, Nebraska imposes a 5.5% Lodging Occupation Tax. Effective January 24th, 2024, businesses are required to remit the occupation tax to the City on a monthly basis. The tax is owed on gross receipts of lodging within the City which is subject to the lodging tax imposed by the Nebraska Department of Revenue exclusive of the occupation tax*. The occupation tax is imposed on the business; however, the business may choose to pass the tax onto its customers by itemizing the occupation tax on the customer's bill as a separate line item.

For lodging businesses, the room rate plus Red Cloud's occupation tax is the total amount subject to both sales tax and lodging tax. Below is an example on how to calculate the occupation tax, sales tax, and lodging tax on a hotel bill.

Hotel room rate	\$100.00
Add Red Cloud occupation tax (5.5%)	<u>5.50</u>
Subtotal	\$105.50
Add sales tax (7% of subtotal) Add	7.39
lodging tax (5% of subtotal)	<u>5.28</u>
 Total bill	 <u>\$118.17</u>

The occupation tax return and payment are due the 25th day of the month following the month of collection. Penalty for not filing a return and paying the tax by the due date is 10% per month plus interest of 1% per month. Records must be maintained for three years for examination by the City.

For a more complete explanation, see CITY ORDINANCE NO. 668 which can be accessed at www.visitredcloud.com

If you have any questions about the implementation, calculation, or payment of occupation tax, please contact The City Office at (402) 746-2215.

* The Nebraska Department of Revenue considers occupation tax an expense of the business even if the business itemizes it on customer bills and it is part of the gross receipts subject to both sales and lodging tax. In the case of the City occupation tax on lodging, the revenue subject to the City's occupation tax is the amount subject to the State lodging tax not including the amount of the City's occupation tax.

ORDINANCE NO. 668

AN ORDINANCE OF THE CITY OF RED CLOUD, NEBRASKA RELATED TO OCCUPATION TAXES; TO AUTHORIZE AN OCCUPATION TAX ON HOTELS; TO CREATE DEFINITIONS, COLLECTION PROCEDURES, RECORD RETENTION PROCEDURES, DUE DATES AND PENALTIES; TO HARMONIZE WITH STATE LAW; AND TO REPEAL CONFLICTING ORDINANCES AND SECTIONS.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF RED CLOUD, NEBRASKA:

Section 1. New § 10-607 to § 10-615 of the Municipal Code of the City of Red Cloud, Nebraska, shall read as follows:

§ 10-607 OCCUPATION TAX; REQUIREMENT TO PAY. An occupation tax is hereby levied and imposed on each and every person who engages in the business of operating a hotel in the City, and each and every person doing business in the City is required to pay an occupation tax as set forth herein.

§ 10-608 OCCUPATION TAX; RATE. Each and every person engaged in the business of operating a hotel in the City shall pay an occupation tax in the amount of 5.5% of the basic rental rates charged per occupied room per night.

§ 10-609 OCCUPATION TAX; DEFINITIONS. HOTEL shall mean any facility in which the public may, for consideration, obtain sleeping accommodations in any space ordinarily used for accommodations; The term HOTEL shall include hotels, motels, bed and breakfast accommodations, tourist hotels, campgrounds, courts, lodging houses, inns and nonprofit hotels; but HOTEL shall not be defined so as to include hospitals, sanitariums, nursing homes, chronic care centers, dormitories, or facilities operated by an educational institution and regularly used to house students.

OCCUPIED ROOM shall mean any space ordinarily used for sleeping accommodations and for which any occupant has, for consideration, obtained the use or possession, or the right to use or possess, for a period not to exceed 30 continuous days; The term shall include camping space, trailer space or recreational vehicle space; The term does not include a function room such as a ballroom, banquet room, reception room, or meeting room, provided it is not used as temporary sleeping accommodations.

Further, OCCUPIED ROOM shall not mean, and no tax imposed by this chapter shall be measured by or collected for:

- (1) Complimentary or other sleeping accommodations for which no consideration is charged;
- (2) Sleeping accommodations for which the consideration is paid by a person not subject

to the sales and use tax imposed by the Nebraska Revenue Act of 1967, as it is amended from time to time; or

(3) Sleeping accommodations leased by an employer for use by its employees when a specific room is the subject of the lease, the lease extends for more than 30 consecutive days, and consideration is actually paid for use during at least 30 consecutive days.

§ 10-610 OCCUPATION TAX; COLLECTIONS AND DUE DATE. (A) The tax imposed by Section 10-607 shall be collected by the hotel operator from the occupant of each room to which the tax applies. The tax may be shown as an add-on to the charge for occupancy of the rooms and shall be collectible at the time the lodging is furnished, regardless of when the charge for the occupancy is paid. The hotel operator shall remain responsible for payment of all taxes imposed whether or not the taxes are actually collected from the guests.

(B) Notwithstanding any contrary provision of this chapter, the tax imposed by Section 10-607 shall be due and payable on the first day of each calendar month next succeeding the month during which the room was occupied. All taxes not paid by the twenty-fifth day of the month in which they are due and payable shall be deemed to be delinquent. The hotel operator shall be assessed a penalty of 10% on all delinquent amounts as well as interest of 1% per month or fraction thereof from the first of the month in which such tax becomes due and payable until the date of payment.

§ 10-611 OCCUPATION TAX; RECORDS. It shall be unlawful for any hotel operator subject to Sections 10-607 through 10-615 to fail to maintain or fail to make available to the City, upon 72 hours notice, written records accurately and completely evidencing the number of rooms occupied, the dates the rooms are occupied, the amount of occupation tax due or paid under this chapter, and such other information as is required by the City Clerk. Such records shall be maintained for a period of three years after the occupation tax is due.

§ 10-612 OCCUPATION TAX; RIGHT TO SUE. In case any hotel shall fail to make payment of the occupation tax imposed by Section 10-607, at the time specified for such payment, the City shall have the right to sue any such person in any court of competent jurisdiction for the amount of such occupation tax due and payable under the terms and provisions of Sections 10-607 through 10-614 and may recover judgment against any such person for such amount so due, together with interest and penalties, and may have execution thereon.

§ 10-613 OCCUPATION TAX; REVENUE MEASURE. The provisions of Sections 10-607 through 10-615 are enacted solely as a revenue measure of the City.

§ 10-614 OCCUPATION TAX; INTENT. It is the intent of the City Council that the

revenue generated by the occupation tax imposed by Section 10-607 shall be appropriated annually to fund parks and recreation.

§ 10-615 OCCUPATION TAX; PENALTY. Any person, partnership, firm or corporation violating any of the provisions of Sections 10-607 through 10-614 shall be deemed guilty of a misdemeanor and, upon conviction, shall be punished in accordance with Section 12-101 of this Code.

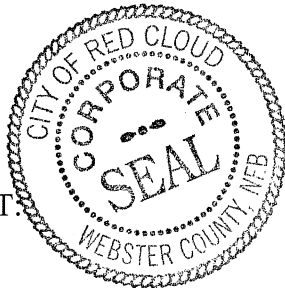
Each distinct act or violation of the terms of Sections 10-607 through 10-614 shall constitute a separate offense.

Section 2. Any ordinance or code section passed and approved prior to passage, approval, and publication or posting of this ordinance and in conflict with its provisions is hereby repealed.

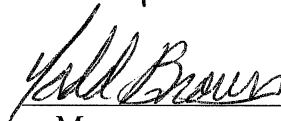
Section 3. This ordinance shall be published in pamphlet form as provided by law.

PASSED AND APPROVED this 9 day of January, 2024.

SEAL



ATTEST.



Mayor



City Clerk