

CHAPTER 12

HOTEL AND MOTEL TAX

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12.01 TAX IMPOSED. There is imposed a seven percent (7%) hotel and motel tax upon the gross receipts from the renting of any and all the renting of sleeping rooms, apartments, or sleeping quarters in a hotel, motel, inn, public lodging house, rooming house, manufactured or mobile home which is tangible personal property, or tourist court, or in any place where sleeping accommodations are furnished to transient guests for rent, whether with or without meals; except the gross receipts from the renting of sleeping rooms in dormitories and in memorial unions at all universities and colleges located in the state of Iowa and the guests of religious institution if the property is exempt under Iowa Code section 427.1, subsection 8, and the purpose of renting is to provide a place for a religious retreat or function and not a place for transient guests generally.

(Code of Iowa, Sec. 422A.1)

12.02 DEFINITIONS. "Renting" and "rent" as used in this chapter, include any kind of direct or indirect charge for such sleeping rooms, apartments, or sleeping quarters, or their use. However, the tax does not apply to the gross receipts from the renting of a sleeping room, apartment, or sleeping quarters while rented by the same person for a period of more than thirty-one consecutive days.

(Code of Iowa, Sec. 422A.1)

12.03 EFFECTIVE DATE OF TAX. The hotel and motel tax as set forth in this chapter shall be imposed on all gross rent receipts received after April 1, 2004.

12.04 COLLECTION. The tax imposed in this chapter shall be remitted by the person or company liable for same to the Iowa State Director of Revenue in the manner required by State law.

(Code of Iowa, Sec. 422A.1)

12.05 RESTRICTIONS ON USE OF REVENUES. The revenue derived from the tax imposed by this chapter shall be accounted for as follows:

1. All revenue received by the City from the imposition of the hotel and motel tax shall be deposited in the General Fund of the City.

2. The City shall allocate each year an amount not to exceed $\frac{2}{7}$ of the total hotel motel tax revenues to fund projects proposed by the Greater Des Moines Convention and Visitor's Bureau (CVB), pursuant to a 28E Agreement, and which are approved by the City Council during the normal budgeting process.

3. The balance of the revenues, including any funds not approved for use by the CVB, shall be used to fund community improvements such as parks, recreations, and community improvement projects. Under all circumstances not less than 50% of the revenues from the hotel motel tax shall be used for projects as described in section 422A.2(4)(a) of the Code of Iowa.