

Chapter 25. - Tax on Hotels, Motels^[3]

Footnotes:

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Charter reference— Authority to levy, tax limited to three (3) percent, § 11.02. Superseded, Laws of Minnesota for 1982, Ch. 523, Art. XXV, §§ 1—3.

Sec. 25.01. - Definitions.

The following words, terms and phrases when used in this chapter shall have the meanings ascribed to them in this section except where the context clearly indicates a different meaning:

- (1) *Person* shall mean any individual, corporation, firm, partnership, association, organization or other group acting as a unit. It shall also include any executor, administrator, trustee, receiver or other representative appointed by law. Whenever the word "person" is used in any section prescribing a penalty or fine, it shall include the partners or members of any partnership or corporation, and, as to corporations, the officers, agents or members thereof who are responsible for the violation in question.
- (2) *Director* shall mean the director of the office of financial services of the city.
- (3) *Room charges* shall mean the furnishing for a consideration of lodging by a hotel, roominghouse, tourist court, or motel or the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of thirty (30) days or more, but shall not be applicable to a mission as that term is defined in Section 60.214 of the Zoning Code.
- (4) *Purchaser* shall mean any person receiving lodging taxable under this chapter.
- (5) *Seller* shall mean any person furnishing lodging taxable under this chapter.

(Code 1956, § 99C.01; Ord. No. 17737, § 1, 5-15-90; C.F. No. 04-171, § 1, 3-3-04)

Sec. 25.02. - Tax imposed.

- (a) There is hereby imposed a tax of three (3) percent in addition to the sales tax imposed by the State of Minnesota on room charges, as herein defined, except that no tax shall be imposed on rooms renting for two dollars (\$2.00) or less per day. The tax shall apply to sales made on or after March 1, 1970.
- (b) An additional tax of two (2) percent is hereby imposed on room charges as herein defined, except that this additional tax shall not apply to a business having less than fifty (50) lodging rooms. This additional tax shall apply to sales made on or after July 1, 1986. On or after August 13, 1991, the additional tax on room charges under this subsection (b) shall be imposed at the rate of three (3) percent.

(Code 1956, § 99C.02; Ord. No. 17367, § 1, 6-17-86; Ord. No. 17850, § 1, 7-9-91)

Sec. 25.03. - Remission of tax to director.

The tax imposed by this chapter shall be due and payable to the director monthly on or before the 25th day of the month next succeeding the month in which the taxable event occurred.

(Code 1956, § 99C.03)

Sec. 25.04. - Returns.

The director shall devise and furnish to all those to whom a permit has been issued as provided in Section 25.05 suitable returns on which to report and account for all taxes collected pursuant to this chapter. The director shall adopt such rules and regulations as he finds necessary to effect collection of the tax.

(Code 1956, § 99C.04)

Sec. 25.05. - Permit, application for.

Every person desiring to engage in the business of furnishing lodging subject to the tax imposed by this chapter shall file with the director an application for a permit, and if such person has more than one place of business, an application for each place of business must be filed. Every application for a permit shall be made upon a form prescribed by the director and shall set forth the name under which the applicant intends to transact business, the location of the place or places of business, and such other information as the director may require.

(Code 1956, § 99C.05)

Sec. 25.06. - Permit fees.

At the time of making every application the applicant shall pay to the director a fee of one dollar (\$1.00) for each permit applied for.

(Code 1956, § 99C.06)

Sec. 25.07. - Tax to be separate.

The tax shall be stated and charged separately from the room charges, shall be collected by the seller from the purchaser, and shall be a debt from the purchaser to the seller, recoverable at law in the same manner as other debts.

(Code 1956, § 99C.07)

Sec. 25.08. - Use of tax funds.

The taxes collected pursuant to this chapter shall be distributed so as to be used in the following manner:

- (1) The three (3) percent tax imposed by Section 25.02(a) shall be distributed: seventy-five (75) percent of the tax to the general fund of the city for the general use of the city; twenty-five (25) percent to the city fund servicing the debt issued for the remodeling of the civic center until such debt is retired, and thereafter the twenty-five (25) percent shall be deposited to the general fund of the city.
- (2) The additional tax imposed by Section 25.02(b) shall be distributed: ninety-five (95) percent to fund a convention bureau to market and promote the city as a tourist or convention center; five (5) percent to the general fund of the city for the general use of the city.

(Code 1956, § 99C.08; Ord. No. 17367, § 2, 6-17-86; Ord. No. 17850, § 2, 7-9-91)

Sec. 25.09. - Interest; penalty.

- (a) *Interest.* If any tax is not paid within the time specified in Section 25.03 for payment, the unpaid tax shall bear interest at the same rate applicable to the general state sales tax specified in Minnesota Statutes, 1989, Sections 297A.39 and 270.75, subdivision 5, which is determined by the commissioner of revenue each year and is based upon the adjusted prime rate charged by banks.
- (b) *Penalty.* Penalties for failure to pay taxes and failure to file required returns shall be the same penalties as are imposed upon general sales taxes pursuant to Minnesota Statute, 1989, Section 297A.39, as follows:
 - (1) *Failure to pay:* If any tax imposed by this chapter is not paid within the time specified for payment, there shall be added to the tax a penalty equal to three (3) percent of the amount remaining unpaid if the failure is for not more than thirty (30) days, with an additional penalty of three (3) percent of the amount of the tax remaining unpaid during each additional thirty (30) days or fraction thereof, not exceeding twenty-four (24) percent in the aggregate.
 - (2) *Failure to file:* In case of any failure to make and file a return within the time specified in Section 25.03, there shall be added to the tax three (3) percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than thirty (30) days with an additional five (5) percent of the amount of the tax remaining unpaid for each additional thirty (30) days or fraction thereof during which such failure continues, not exceeding twenty-three (23) percent in the aggregate.
 - (3) *Combined Penalties:* Where penalties are imposed under subsections (1) and (2) above the penalties imposed under both subsections shall not exceed thirty-eight (38) percent in the aggregate.
 - (4) *Collection as Part of Tax:* Any interest and penalty shall be added to the tax and be collected as a part of the tax. The amount so added to any tax under this chapter shall be collected at the same time and in the same manner and as part of the tax and shall bear interest at the rate specified above from the time the tax should have been paid.
- (c) *Criminal penalty.* In addition to any other penalties prescribed, any person who willfully fails to make a return, or willfully makes a false return, or willfully fails to pay over taxes imposed by this chapter, or attempts in any manner to evade or defeat the taxes imposed by this chapter is guilty of a misdemeanor and subject to the punishment provided for in Section 1.05 of this Code.

(Ord. No. 17737, § 2, 5-15-90)