Local Hotel-Motel Tax (State-shared)

RCW 67.28.180

Tax Base
Charges for lodging at hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities for continuous periods of less than one month.

Tax exemptions may reduce the tax liability for this tax base. For more information, refer to the Tax Exemption Study.

Tax Rate
Up to 2 percent, all cities and counties that levy the hotel-motel tax have adopted the maximum rate.

Per RCW 67.28.1801, the tax is credited against the state retail sales tax of 6.5 percent, so that the hotel-motel tax is not an additional tax for the customer but represents sharing of the state retail sales tax receipts on lodging with cities and counties.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Collections ($000)</th>
<th>% Change</th>
<th>% of All State Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$101,635</td>
<td>14.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2017</td>
<td>$88,827</td>
<td>-13.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2016</td>
<td>$102,605</td>
<td>7.1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2015</td>
<td>$95,829</td>
<td>13.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2014</td>
<td>$84,362</td>
<td>7.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2013</td>
<td>$78,564</td>
<td>4.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2012</td>
<td>$75,201</td>
<td>1.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2011</td>
<td>$74,138</td>
<td>19.7%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2010</td>
<td>$61,939</td>
<td>-11.6%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2009</td>
<td>$70,087</td>
<td>-2.5%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
Local Hotel-Motel Tax (State-shared)

Distribution of Receipts
All receipts from this tax are deposited into a suspense account and are then distributed by the State Treasurer to cities and counties within two months following their receipt from hotels and motels.

Hotel-motel tax receipts may be used for promotion of tourism or construction and operation of tourism-related facilities, as well as the operational expenses of special events to attract tourists. A city may not use hotel-motel tax receipts for a facility intended to house a professional sports franchise if the county is already using its tax receipts for such a purpose.

Levied by
Cities and counties, currently 281 cities and all 36 counties impose the tax.

For more information about this tax, refer to the Local Tax Reference Guide.

Administration
Department of Revenue.

Transient rental income is reported by hotels and motels on the Combined Excise Tax Return Addendum. No reimbursement for the cost of collection is allowed for the Department of Revenue.

History
2002  The tax base was clarified so that long-term rentals would not be subject to the tax, even though the same individual units were not used for each of the 30 plus days.

1991 to 1997
The Legislature repealed the specific uses of hotel-motel tax funds and allowed the tax to be devoted to any tourism-related purpose.

1988  Steam railroads were included in the use of hotel-motel tax funds.

1987  Agricultural promotion was added to the use of hotel-motel tax funds.

1986  Tourism strategies in distressed areas and tall ships in Grays Harbor County were included in the use of hotel-motel tax funds.

1985  Capital improvements in stadiums were added to the use of hotel-motel tax funds.

1979  Arts facilities and tourist promotion were included in the use of hotel-
motel tax funds.

1975  The requirement that the city tax must be credited against the county tax (except for Bellevue and Yakima) was added.

1973  Convention centers were added to the use of hotel-motel tax funds and the tax broadened to include any city or county.

1970  The tax was broadened to include the cities of Tacoma and Spokane.

1967  The tax was authorized for King County to provide funding for the King County Stadium (Kingdome).