



Legislation Text

File #: 0116-18, **Version:** A

Subject: Communication from the City Administrator presenting a proposed "Voluntary Collections Agreement", between the City of Racine and Airbnb for reporting, collection, and remittance of Room Tax collections from hosts booking overnight accommodations within the City. (Res. 0037-18)

Recommendation of the Finance & Personnel Committee on 4/23/2018: The Mayor and City Clerk be authorized and directed to execute the Voluntary Collection Agreement for City of Racine Room Tax, by and between Airbnb and the City of Racine, as attached herewith; thereafter allowing for the collection and remittance of Room Tax proceeds from Airbnb hosts to the City of Racine. A designated signature line for the City Clerk and a designated signature line for the Mayor will be added to the Voluntary Collection Agreement.

Fiscal Note: It is difficult to estimate the expected yearly collections that the City might receive from Airbnb hosted room taxes except to know that they will, by ordinance, equal 8% of all fees charged for lodging stays. There currently is not a significant number of hosts operating within the City, however, we expect that number to increase exponentially as the demand for lodging posed by the influx of 10,000 Foxconn construction workers prompts many City property owners to begin offering an expanding supply of rooms to meet the growing demand.