

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Staff Presentation Worksheet

Presentation Date: January ¹²~~13~~, 2010 Time: 10:30 A.M. Length: 15 Minutes

Presentation Title: Transient Room Tax Threshold

Department: Finance

Presenters: Marc Gonzales

POLICY QUESTION

Does the Board wish to adjust upward the threshold level at which Transient Room Tax is collected on room rents from the current \$10.00 to \$15.00?

ISSUE & BACKGROUND

The Transient Room Tax (TRT) Ordinance once specified a threshold of daily room rental, as defined in the Ordinance, at \$4.00 as the point at which room tax began to be collected. In May 2005 the Board approved raising that threshold to \$10.00. This increase was deemed to relieve certain non-profit agencies from collecting and remitting tax on negligible amounts of incidental rents charged to members. This change had little or no effect on revenues collected in the TRT program which funds tourism development, as in nearly every case including campgrounds daily rents are above the current threshold.

QUESTION(S) PRESENTED FOR CONSIDERATION

Will the Board approve the increase to \$15.00 for the same reasons that drove the 2005 adjustment, so that certain non-profits may avoid having to collect the 6% tax and report and remit to the County for rents over \$10.00 and under \$15.00? As is the case with the 2005 change, this will have no discernible effect on inflows to the funding of tourism development in the County, while easing administrative burden on operators.


OPTIONS AVAILABLE

Options include leaving the threshold as currently stated in the Ordinance, and requiring operators to collect and remit on small rents; or, allowing the increase to be incorporated into the Transient Room Tax Ordinance.

RECOMMENDATIONS

Staff respectfully recommends changing the entry point threshold for tax applicability upward to \$15.00 which will have a negligible effect, if any, on revenues derived from the tax, and would allow ease of operations for non-profits which charge members for overnight stays.

SUBMITTED BY:

Division Director/Head Approval 
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Marc Gonzales @ 503-742-5405

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