



May 24th, 2023

Dear hotel/motel or short-term rental owner/manager:

In an open election held on May 26th, 2023 the citizens of the City of Kellogg voted to pass Ordinance No. 623 effectively **increasing the existing room occupancy tax (L.O.T.) from 3.5% to 5.5%**.

Additionally, **penalties** for late reporting increased from \$10 or 5% of taxes due to **\$10 or 10% of taxes due** (whichever is greater). **These changes go into effect June 1st, 2023.**

What does this mean for property owners/managers?

- **All room sales made after June 1st 2023 will be taxed at the newly adopted rate of 5.5%. This needs to be reflected on reporting documents due by the 20th of July.**
- The City has contacted rental platforms (like Airbnb) to authorize the collection and remittance of the increased rate.
- Proprietors are responsible for contacting other booking agencies who do not collect or remit payment to the City to adjust for the increase.
- Moving forward, please use the enclosed remittance slips. An Excel sheet prefilled with formulas to calculate L.O.T. is now available; the tri-color, carbon copy forms are no longer valid.

Enclosed are sixteen (16) updated remittance forms. This letter and fillable Excel worksheet will be emailed to the address(es) on file, and be accessible via the City of Kellogg website.

Reporting can be submitted by email to kelloggcity@kellogg.id.gov or mailed to the address on the remittance slip and this correspondence.

If you have questions or need clarification on reporting practices, or would like to request a copy of Ordinance 623, please do not hesitate to reach out.

Sincerely,

Monica Miller
Community Planner
Senior Support Staff

Monica.miller@kellogg.id.gov



Important reminders about LOT

REMITTANCE SLIPS AND A PAYOUT SUMMARY FOR THE PRECEDING MONTH ARE DUE NO LATER THAN THE 20TH OF EACH MONTH— EVEN WHEN REPORTING ON ZERO SALES.

- **Failure to submit all required documentation and/or payment by the 20th will result in a penalty of \$10 or 10% of the tax due, whichever is greater.**
- Tax reporting should reflect 5.5% of the monthly payout, including cleaning and management fees.
- Taxes paid by hosting sites should not be misreported as “non-taxable sales”. A summary of gross sales is required to accompany remittance slips; use these figures to calculate tax due.
- **The short-term rental (STR) permit number must be displayed in the rental unit and be included in all listings.**
- It is the responsibility of the permit holder to update the City of Kellogg on any changes in the property’s status under your permit number. Failure to do so could render the permit invalid.
- Contact the Kellogg City Clerk’s Office for any of the following changes:
 1. Change of mailing address.
 2. The sale or transfer of management of a property to another owner or management company.
 3. For new owner or managers, a **new** LOT Permit will need to be issued for display in the rental property. **The name and permit number on display must reflect the current LOT permit holder.**
 4. Notify the City Clerk’s Office if you no longer operate any short-term rentals within the City of Kellogg, or **if you are intermittently leasing the home for 30 days or more. This will alleviate having to file a zero-sales report each month.**
 5. If you purchase a new property that you wish to operate a short-term rental contact the City Clerk’s Office to have a permit issued for the new address.

Reporting materials and/or payment can be mailed to:

CITY OF KELLOGG
ATTN: CLERK/TREASURER
1007 MCKINLEY AVE
KELLOGG, ID 83837

Or emailed to Kelloggcity@kellogg.id.gov