

ORDINANCE NO. BG2022 - 49

ORDINANCE AMENDING CODE OF ORDINANCES

ORDINANCE AMENDING CODE OF
ORDINANCES CHAPTER 18 (OCCUPATIONAL
LICENSE FEES AND TAXES) TO MAKE
REVISIONS REFLECTING LEGISLATIVE
CHANGES IN KENTUCKY REVISED STATUTE
RELATED TO THE TRANSIENT ROOM TAX AND
OTHER ADMINISTRATIVE CHANGES

WHEREAS, the Kentucky General Assembly passed House Bill (HB) 8 during its 2022 session which amends sections of KRS 91A to clarify statutory language for state and local transient room tax; and,

WHEREAS, HB 8 extends the scope of taxes to online travel companies; and,

WHEREAS, the measure specifically includes rates or rents for cabins, campsites, or other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin, campgrounds, recreational vehicle parks, or any other place in which accommodations are regularly furnished to transients for consideration; and,

WHEREAS, it is in the best interest of the City to amend Chapter 18 (Occupational License Fees and Taxes), Subchapter 18-6 (Transient Room Tax) to adhere to this expanded legislation; and,

WHEREAS, it is further in the best interest of the City to amend Chapter 18 (Occupational License Fees and Taxes), Subchapter 18-2 (Business Registration and Occupational License Fees) to further clarify certain income subject to and excluded from occupational license fees regarding real estate investment trusts (REIT).

NOW, THEREFORE, BE IT ORDAINED by the City of Bowling Green, Kentucky as follows:

1. Chapter 18 (Occupational License Fees and Taxes), Subchapters 18-2 (Business Registration and Occupational License Fees) and 18-6 (Transient Room Tax) of the Code of Ordinances are hereby amended as follows:

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18-2 BUSINESS REGISTRATION AND OCCUPATIONAL LICENSE FEES.

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18-2.03 Income Subject to Occupational License Fees.

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a. Net Profits: The following income is specifically determined to be subject to the occupational license fee:

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3. A trust estate engaged in business which produces income, In the case of a real estate investment trust (REIT), the total deduction for dividends paid and the Internal Revenue Code (I.R.C.) Section 857 (b)(2)(E) of the IRS deduction are included when determining the investment trusts taxable income;

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18-2.04 Income Excluded from Occupational License Fees.

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10. Income from pensions, non-business interest and dividends not specifically defined as includable;

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18-6 TRANSIENT ROOM TAX.

18-6.01 Transient Room Tax Imposed.

a. A transient room tax of three (3%) percent is hereby imposed and levied on the rate, rent or other charge for the occupancy of a suite, room or rooms, cabins, lodgings, campsites, or other accommodations charged, let or rented by any and all persons, firms or organizations engaging in the activity of motor court[s], motel[s], hotel[s], inn[s], tourist camp, tourist cabin, campground, recreational vehicle park, or other like or similar overnight accommodations [~~regardless of the period~~]

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~~of stay] at the subject establishment, including rentals through online travel companies or any person that facilitates the rental of the accommodations by brokering, coordinating, or in any other way arranging for the rental of such accommodations. Transient room taxes shall not apply to rooms, lodgings, campsites, or accommodations supplied for a continuous [the rental or leasing of an apartment building supplied by an individual or business that regularly holds itself out as exclusively providing apartments. Apartment means a room or set of rooms, in an apartment building, fitted especially with a kitchen and usually leased as a dwelling for a minimum] period of thirty (30) days or more to any person.~~

b. In addition to the above three (3%) percent, effective January 1, 1994, a special transient room tax of one (1%) percent is hereby imposed and levied on the rate, rent or other charge for the occupancy of a suite, room or rooms, cabins, lodgings, campsites, or other accommodations charged, let or rented by any and all persons, firms or organizations engaging in the activity of motor court[s], motel[s], hotel[s], inn[s], tourist camp, tourist cabin, campground, recreational vehicle park, or other like or similar overnight accommodations [~~regardless of the period of stay]~~ at the subject establishment, including rentals through online travel companies or any person that facilitates the rental of the accommodations by brokering, coordinating, or in any other way arranging for the rental of such accommodations. Transient room taxes shall not apply to rooms, lodgings, campsites, or accommodations supplied for a continuous period of thirty (30) days or more to any person. This additional special one (1%) percent transient room tax is levied for the sole purpose of meeting the operating expenses of the Convention Center of Bowling Green/Warren County.

c. All persons, firms, organizations or businesses engaging in the activity of motor court[s], motel[s], hotel[s], inn[s], tourist camp, tourist cabin, campground, recreational vehicle park, or other like or similar overnight accommodations shall collect and pay the transient room tax and the special transient room tax to the City of Bowling Green monthly and at the time shall file a return on a

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form provided for such purpose. Regardless of whether the City has entered into an agreement with a third party online rental company renting or leasing property subject to this Subchapter to collect the transient room tax, all persons, firms, organizations or businesses subject to this Subchapter shall remain liable for filing the appropriate return and paying any transient room tax not collected or paid by the third party online rental company.

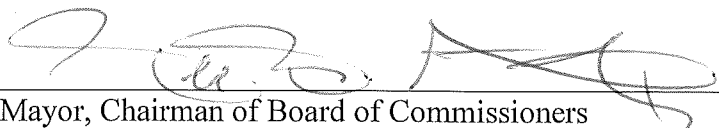
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2. The provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.

3. All prior Municipal Orders or Ordinances or parts of any Municipal Order or Ordinance in conflict herewith are hereby repealed.

4. This Ordinance is adopted pursuant to KRS 83A.060 in that it was introduced on November 1, 2022, and given final reading on November 15, 2022, and said Ordinance shall be in full force and effect upon signature, recordation and publication in summary pursuant to KRS Chapter 424.

ADOPTED: November 15, 2022

APPROVED: 
Mayor, Chairman of Board of Commissioners

ATTEST: 
City Clerk

SPONSORED BY: Jeffery B. Meisel, City Manager,