

## NEED TO KNOW

# THE 30-TO-90 DAY HOTEL/MOTEL TAX CHANGE

IMPLEMENTED JULY 1, 2020



### THE NEW RULE

*In plain language:*

If someone stays in a hotel room for 90 days or less, they are subject to the hotel/motel tax. If they stay for 91 days or more, they are no longer subject to the hotel/motel tax starting from day 91 and on.

This also pertains to services like AirBnB, RVBO, traditional Bed & Breakfasts, and other lodging facilities.

\*Non-profit lodging providers, such as Ronald McDonald House, are exempt from this rule.\*

### THE OLD RULE

If someone stayed in a hotel room for 31 days or more, they were exempt from all of the hotel/motel tax.

Without increasing an existing tax or implementing a new tax, the State of Iowa is projected to gain \$15.3 million to the general fund and local communities will gain \$17.7 million over 5 years.