# **SHORT TERM RENTALS FAQ**

### What permits do I need from the City of Oshkosh to rent my home to transient guests?

You will need a Short Term Rental Permit from the Department of Community Development and a Room Tax Permit from the Finance Department. In order to obtain these permits you will also need a Wisconsin Seller's permit and have an inspection of your home completed by the Winnebago County Health Department.

### What types of rentals do I need to obtain a permit and collect room tax for?

You need to obtain a Short Term Rental Permit and Room Tax permit if you are renting your home to any person(s) for periods of 28 consecutive days or shorter in a calendar year. If you are renting your home for longer than 28 consecutive days to a person(s) or entity for lodging, you should contact the City of Oshkosh Inspection Division and sign up on the City's Rental Registry.

- If you are renting your home to any person(s) for more than 10 days within a calendar year you are subject to the State of Wisconsin's requirements for Short Term Rentals (A brief overview can be found <a href="HERE">HERE</a>)
- If you are renting your home to any person(s) for more than 16 days within a calendar year you are also subject to the City of Oshkosh's Short Term Rentals ordinance. (<a href="https://www.ci.oshkosh.wi.us/PlanningServices/ApplicationBrochures.aspx">https://www.ci.oshkosh.wi.us/PlanningServices/ApplicationBrochures.aspx</a>)

#### What is Room Tax?

Wisconsin Statutes allow the City of Oshkosh to impose a tax on the privilege and service of furnishing, at retail, of rooms or lodging to transients by hotelkeepers, motel operators, lodging marketplaces, owners of short-term rentals and other persons furnishing accommodations that are available to the public. All funds collected are used to support and grow tourism in the City of Oshkosh. The City of Oshkosh imposes a 10% tax which is used to support Tourism, the functions of the Oshkosh Convention and Visitors Bureau and directly to support the City of Oshkosh Convention Center.

### How do I collect a room tax from guests who are renting my home?

Room tax is a pass through tax. That means that you will collect this tax from your guest as part of the rental fee for your home and then report and submit the tax to the City of Oshkosh. There are different options to collect room tax. It is up to you to decide what works best for your rental. You may include the amount in your nightly advertised rate.

For example, if you want to receive \$100 for a rental, you would advertise the total nightly rate as \$110.00 to include the 10% room tax. You will also need to consider sales tax in your rates.

If you go through an online application such as AirBNB, there may be an opportunity for that provider to collect the room tax for you. However, you are responsible to make sure that the room tax is collected and paid. Even if you use an online application and have arranged for them to collect and remit the room tax, you must file a Monthly Room Tax Report. That report should include the rentals through the online platform and you should note that the tax was collected by the online provider. If the tax is not paid by the online provider to the City, you remain responsible for the tax and may be subject to late fees and penalties, so it is important to make certain that the online provider is collecting and timely paying the amounts due.

Whichever method you use to collect room tax, you should clearly communicate how it is done in your listing and communications with potential guests.

### What do I pay Room Tax on?

Room tax is paid on gross lodging sales. If you collect additional money for services or other items, those charges would not be subject to room tax. These items may include:

- a. Exempt room sales those persons staying for over 30 consecutive days or sales exempt from room tax such as those for governmental purposes. For those exempt from room tax, you must obtain and keep for at least three (3) years a tax exempt letter or other certificate of exemption from the guest.
- b. Room and Sales tax. If you have included the tax in your advertised total room rate as in the example above, you will need to back the room and sales tax out so that you are only paying room tax on the actual rental portion of the total nightly rate.
- c. Food or Vending sales
- d. Laundry or other services sales
- e. Miscellaneous sales or services not related to the provision of lodging (ex. tour sales)

If you are deducting costs for any of the above, you will need to keep clear records of those costs to support their deduction. If an audit is conducted, you will be asked to provide those records for review and verification.

## What records do I need to keep and how long do I need to keep them?

You should maintain your books and records of all rental transactions whether you are renting to a guest directly or running through an online platform. You should include the days/nights rented, all revenue associated with the rental, and documentation of any deductions taken from the gross revenue prior to calculation of the room tax due. For the City of Oshkosh, you will need to keep records at least three (3) years, however you may be required or choose to keep records for a longer period to time for your own purposes.