



Lodging Tax Reporting Information and Instructions

This was prepared to assist individuals responsible for the completion of the City of Burnsville Lodging Tax Return form in accordance with the Burnsville City Code, Chapter 22.

Lodging Tax Information

City of Burnsville Lodging Tax (3%)

The City of Burnsville lodging tax applies to sales of transient lodging accommodations and lodging-related services for a period of fewer than 30 days (or sales for thirty days or more that do not meet certain criteria) at a lodging facility located within the city limits. Lodging facility includes, but is not limited to: bed and breakfasts, hotels, campgrounds, motels, resorts, residential short-term rentals, rooming houses, and trailer camps. The tax is separate and in addition to the current state sales tax. Amounts paid for the use of real property for purposes other than lodging are not subject to the lodging tax. For example, the lease of a meeting room in a hotel for a business meeting is not subject to the lodging tax.

Lodging-Related Services

Charges for services provided within a guest room are treated as taxable lodging related services. The following are examples of taxable charges:

- Pay per view movies and video games.
- Cots, cribs, refrigerators, roll-away beds, and exercise equipment.
- Pet fee, smoking fee, damage fee and cleaning charges.
- In-room safes.
- Laundry and dry cleaning services.
- Food or Liquor from in-room mini-bars and refrigerators.
- Room service or room delivery fee, including mandatory tips and gratuities.
- Telephone access charges in guest rooms.

Amounts paid for transient lodging accommodations provided within the city limits are subject to the tax regardless of where payments or reservations are made. Tax on internet transactions is subject to the price paid by the guest or occupant, not the discounted rate paid by the internet broker.

Realty lease for less than 30 days - A lease of or license to use real property for lodging purposes for periods of less than 30 days duration is a taxable sale.

Realty lease for 30 days or more – A lease of or license to use specific real property for lodging purposes are not considered taxable sales if both of the following conditions are met:

- 1) There must be an enforceable lease agreement involving a tenancy of 30 days or more.
- 2) The lease must require at least 30 days notice of termination.

If the above conditions are met, the lease is nontaxable even if rent is paid weekly or semimonthly. Lodging establishments should retain written lease agreements with terms satisfying the above requirements for six years to avoid being taxed on these revenues.

Cancellation and “No Show” Charges

Cancellation charges are not taxable – since the room was cancelled, no sale occurred and no sales tax is due. “No Show” charges are taxable – since the room was held for the customer, a sale was made even though the customer didn’t show up.

Please refer to the Minnesota Department of Revenue Hotels and Lodging Facilities Fact Sheet 141 for a complete explanation of all lodging tax topics.

<http://www.revenue.state.mn.us/businesses/sut/factsheets/FS141.pdf>

General Filing Information

Filing Periods

The City assumes a calendar month end. Your return and payment are due 25 days after the end of the month in which the taxes are collected. You must file a return each month regardless of rental income. Penalties and interest may be assessed for late or missing returns and/or payments.

No Sales

If you have made no sales during the rental period, you must still file a return. Write “None” on the sales line of the return, sign it, and return it by the due date.

Bad debts

Reductions for write-offs can only be taken if the amounts are directly written off the financial records. Monthly or periodic accrual amounts recorded of bad debt expense cannot be subtracted from taxable revenues. If the establishment determines that amounts recorded as revenues are not collectible and writes these amounts off its financial records, it may reduce taxable revenue reported to the City by that amount. The amount must be related to the type of revenue subject to tax.

Examination of Return

After a return is filed, the City shall examine it and make any investigation or examination of the records and accounts of the person making the return deemed necessary for determining correctness.

The complete Burnsville Lodging Tax code – Chapter 22 can be found on the City website.

Lodging Tax Return Instructions

Line 1 Gross Lodging Sales

List gross lodging sales, including exclusions for tax-exempt revenues.

Line 2 Less: Exclusions

Exclusions are limited to lodging rental revenues for 30 days or more (that meet additional criteria), federal employees with proper documentation, foreign officials, and tribal councils.

Line 3 Less: Bad Debt

Reductions for write-offs can only be taken if the amounts are directly written off the financial records. The amount must be related to the type of revenue subject to tax.

Line 4 Plus: Collected Bad Debt

Amounts recovered that had previously been deducted as bad debt.

Line 5 Total Taxable Lodging Sales

From the Gross Lodging Sales (line1), subtract any Exclusions and Bad Debt (lines 2 and 3) and add any Collected Bad Debt (line 4).

Line 6 Lodging Tax Due

Multiply Total Taxable Lodging Sales (line 5) by 3% or .03 City Lodging Tax.

Line 7 Penalty

This line is only applicable if the tax return/payment is not received by the 25th day following the end of the reporting month.

Multiply Lodging Tax Due (line 6) by 10% or .10 Penalty Rate.

Line 8 Interest

This line is only applicable if the tax return/payment is not received by the 25th day following the end of the reporting month.

Add Lodging Tax Due (line 6) and Penalty (line 7). Multiply this total by 8% or .08 Interest Rate. Multiply this total by the number of days past the due date. Divide this total by 360 days.

Line 9 Total Penalty and Interest Due

Add Penalty (line 7) and Interest (line 8).

Line 10 Total Amount Due

Add Lodging Tax Due (line 6) and Total Penalty and Interest Due (line 9).

Check payments should be made out to the City of Burnsville. The payment and the return should be mailed to:

City of Burnsville
Attn: Lodging Tax
100 Civic Center Parkway
Burnsville, MN 55337



Hotel Operating Name

Hotel Address			Minnesota Tax ID Number (7 digits)	
City	State	Zip		

Owner Name

Owner Mailing Address			Has there been a change of ownership since last reporting period?	
City	State	Zip	Yes / No	Effective Date:

Reporting Period:

Reporting period is calendar month

Due Date:

Due date is 25 days following calendar month end

LODGING TAX

1	Gross Lodging Sales		
2	Less: Exclusions <i>rentals for 30 days or more & other tax exempt lodgings per State guidelines</i>		
3	Less: Lodging Bad Debts		
4	Plus: Collected Bad Debts		
5	Total Taxable Lodging Sales <i>Line 1 - Line 2 - Line 3 + Line 4</i>		
6	Lodging Tax Due <i>Line 5 x 3%</i>		

PENALTY AND INTEREST (IF APPLICABLE)

7	Penalty <i>If payment is not made by the due date, Line 6 x 10%</i>		
8	Interest <i>Line 6 x 8% annual interest rate x days past due</i>		
9	Total Penalty and Interest Due <i>Line 7 + Line 8</i>		

TOTAL LODGING TAX, PENALTY AND INTEREST

10	TOTAL AMOUNT DUE <i>Line 6 + Line 9</i>		Check Payable to City of Burnsville
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I declare and certify under penalty of law that I have examined this statement and that to the best of my knowledge and belief, it is true and complete.

Preparer Name _____ Title _____

Signature _____ Date _____

Phone _____ E-mail _____

Lodging tax rules and regulations are stated in Chapter 22 of the Burnsville City Code.

Lodging Tax Mailing Address and Finance Department Contact Information:

City of Burnsville
Attn: Lodging Tax
100 Civic Center Parkway
Burnsville, MN 55337

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