

Rep. Kitchens: Two bills passed by Assembly

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MADISON, Wis. – Rep. Joel Kitchens (R-Sturgeon Bay) is pleased that the Wisconsin State Assembly passed two of his bills Thursday that will assist municipalities with room tax collections and protect the property rights of condominium owners.

AB 683 makes a technical change to 2019 Act 10, which requires lodging marketplace companies like Airbnb to collect room taxes from short-term rentals and remit those taxes to the proper municipalities. That law made it vastly easier to gather room taxes from short-term rentals, but it also created an unintended problem that Rep. Kitchens says the state must fix.

“We already know that many municipalities across Wisconsin are not getting the correct amount of room taxes they are entitled to,” Rep. Kitchens said. “Because these dollars are so important to our tourism industry and our local communities, we need to ensure they are accurate and going to the right places.”

AB 683 requires lodging marketplace businesses to remit room taxes to municipalities quarterly, along with a standardized form prepared by the state Department of Revenue. To guarantee room taxes are being remitted correctly, the form must include the total sales for properties located in a municipality, the total number of nights such properties were rented, the room tax rate and the total tax collected.

If a lodging marketplace does not file the room tax return on time or neglects to pay the mandatory tax, a municipality can impose a forfeiture that may not exceed 25 percent of the room tax due for the previous year or \$5,000, whichever is less. This is the same penalty for hotels and other traditional lodging firms.

AB 685 helps to facilitate a conversation between condominium associations and unit owners through a direct negotiation conference. The goal of the direct negotiation conference is to find a resolution through an exchange of offers and counteroffers by the two sides, without the use of a third party. If a resolution is not reached, the case can then move to circuit court.

“This legislation will protect the property rights of unit owners who do not have a strong, open relationship with their condo association,” Rep. Kitchens said. “Furthermore, we also expect it to help both parties avoid costly litigation expenses and alleviate congestion in our circuit court system.”