

Transient Room Tax Regulations Of the Louisville/Jefferson County Metro Revenue Commission

As made and adopted by the Commissioners of the Louisville/Jefferson County Metro Revenue Commission on May 16, 2023, to become effective July 1, 2023, upon approval by the Commissioners of the Louisville/Metro Revenue Commission. These Regulations are numbered in accordance with the numbering of Section 121.01 to 121.06 of the Louisville Metro Code of Ordinances, to which they refer and respond.



Travis Frick, President



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§2.00 Introduction

The Louisville Metro Revenue Commission’s general duties and functions are established in [LMCO §32.450](#) to [LMCO §32.453](#). These duties include the payment of the general obligation bonded debt of Metro Government, as well as the collection of license fees and miscellaneous taxes such as transient room taxes imposed by the Metro Council for revenue purposes.

The Commission is under the control and management of the Commissioners of the Louisville/Jefferson County Revenue Commission and their membership consists of the Mayor, the President of the Metro Council, and the Superintendent of Jefferson Public Schools, or their designated representatives, and three citizen members. The Commissioners “may make and enforce bylaws, rules, and regulations, not contrary to law, for the conduct of the business of the Revenue Commission.”

Furthermore, the Revenue Commission is specifically empowered by LMCO [§121.02](#) “to adopt appropriate regulations pertaining to the implementation and enforcement of the taxes imposed by [§121.01](#) and to take all appropriate actions to collect and enforce payment of the taxes.” These new revised and updated regulations are set out below and are adopted pursuant to this authority.

The imposition of taxes by cities, counties, and other local governments such as Metro Government is limited by [Section 181 of the Kentucky Constitution](#) and must be authorized by the Kentucky General Assembly. The requisite statutory authority to impose a transient room tax has been bestowed by the General Assembly upon Louisville Metro Government by virtue of KRS 91A.390(1)(b). Pursuant to this statutory authority, the Metro Council has imposed by ordinance a series of transient room taxes described in detail herein.

§2.01 Definitions

ACCOMMODATION

Temporary lodgings.

COMMISSION

The Louisville/Jefferson County Metro Revenue Commission.

COMMISSIONERS

The Commissioners of the Commission.

COUNTY

Jefferson County, Kentucky.

DWELLING UNIT

Any group of rooms located within a building and forming a single housekeeping unit with facilities, which are used or designed to be used for living, sleeping, cooking, or eating.

ELECTRONIC FILING

The electronic transmission of an electronic document to the Commission's electronic filing system.

ENTITY

Something that has its own independent existence. For the purposes of these regulations, an entity is any individual, company, business or organization having rights and responsibilities under the law.

E- FORM

An electronic form through an automated system which transmits information electronically according to the accepted electronic data transmission methods and formats identified by the Commission.

INDIVIDUAL

A natural person.

KRS

The Kentucky Revised Statutes.

LMCO

The Louisville Metro Code of Ordinances.

LOUISVILLE METRO

Jefferson County, Kentucky.

METRO GOVERNMENT

Louisville/Jefferson County Metro Government.

HOST

Any person who is the owner of record of real property, or any person who is a lessee of real property pursuant to a written agreement for the lease of such real property, who offers a dwelling unit, or portion thereof, for short term rental.

HOSTING PLATFORM

A person or entity that provides a means through which a Host may offer a dwelling unit, or portion thereof, for short term rental use. Most platforms are internet based and allow a Host to advertise a dwelling unit as a short-term rental through a website or mobile app.

HOTEL

Any public or private space or structure, including but not limited to, any hotel, motel, inn, bed and breakfast inn, boarding house, or lodging house, offering sleeping accommodations or temporary lodging in exchange for rent and for a period of less than 30 consecutive days. The

Hotel does not include living accommodations provided at any governmental or nonprofit institution in connection with the functions of that institution.

ONLINE BOOKING PLATFORM

A person or entity that operates online and facilitates, brokers, or in any other way coordinates the rental of a suite, room, rooms, cabins, lodgings, campsites, or other accommodations offered by a host, 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.

PERMANENT GUEST

A person(s) staying 30 consecutive days or more.

PERSON

Any individual, firm, co-partnership, joint venture, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate, cooperative, assignee, governmental unit or agency, or any other group or combination acting as a unit.

RENT

The total amount charged for the rental of an accommodation and any charges for any services necessary to facilitate the rental of accommodations whether the amount is charged by the provider of the accommodations or by a person facilitating the rental of the accommodations by brokering, coordinating, or in any way arranging for the rental of the accommodations.

RETURN

Any properly completed, and if required, signed form, e-form, statement, certification, declaration, or any other document permitted or required to be submitted or filed with the Commission.

ROOM

Any portion of a hotel which is designed or intended for occupancy by a person for temporary lodging or sleeping purposes.

SHORT TERM RENTAL

A dwelling unit that is rented, leased or otherwise assigned for a tenancy of less than 30 consecutive days duration, where no meals are served. This term does not include hotel or motel rooms, extended stay lodging facilities, bed and breakfast inns or boarding and lodging house rooms.

TRANSIENT TAX

Tax paid on temporary lodging.

§2.02 Transient Room Taxes on Hotels, Motels, & Similar Accommodations

ORDINANCE AUTHORITY: [LMCO §121.01](#); [LMCO §121.02](#)

A. Transient Room Tax: Louisville Metro Government imposes a total transient room tax of eight and one-half percent (**8.5%**) to the rent for every occupancy by transient guests who occupy a suite, room, rooms, cabins, lodgings, 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 or by any person that facilitates the rental of the accommodation for a continuous period of less than thirty (30) days.

B. Regulations: The Revenue Commission is authorized to adopt appropriate regulations pertaining to the implementation and enforcement of the taxes imposed by [§121.01](#) and to take all appropriate actions to collect and enforce payment of the taxes.

C. Duty to Register:

1. Hosts of Short-Term Rentals: A host should only register once with the LMRC even if they have multiple rental properties or use different renting methods.
2. Online Booking Platforms: All online booking and hosting platforms must register with the Revenue Commission and establish an account for filing returns and remitting Transient Room tax payments levied on the rent of online booking transactions it facilitates. Online booking platforms that annually generate 200 or more separate online booking transactions for property located in Louisville Metro or generate \$25,000 or more in annual gross receipts from online booking transactions for property located within Louisville Metro must also register for and file an annual Occupational License Tax net profit return.
3. Direct to Consumer Rentals: All hotels, motels, inns, tourist camps, tourist cabins, campgrounds, recreational vehicle parks, or other places in which accommodations are regularly furnished to transients must register with the Revenue Commission and establish an account for filing returns and remitting Transient Room tax payments for accommodations that have been booked and rented directly by consumers.

D. Return Due Dates: On or before the last day of every month, a taxpayer subject to the Transient Room tax shall submit a return and the tax due for the preceding month to the Revenue Commission, in an electronic form (e-form) prescribed by the Commission. The filing requirements begin the day a host starts short-term rental activity.

1. Due Dates: On or before the last day of every month, the taxpayer shall submit a return and the tax due for the preceding month. All taxes must be filed and paid by the last day of the month that follows the month of the tenancy. If a stay extends into the following month, the taxes would be filed and paid the month following the last day of the stay.

Schedule for Filing Monthly Transient Returns and Paying Transient Tax

Month	Return and Tax Due Date
January	February 28
February	March 31
March	April 30

April	May 31
May	June 30
June	July 31
July	August 31
August	September 30
September	October 31
October	November 30
November	December 31
December	January 31

2. Timely Filing: A return is regarded as timely filed if it is electronically delivered on or before the due date of the return. If the due date occurs on a Saturday, Sunday or Metro Government legal holiday, the return shall be electronically delivered on or before the next day that is not a Saturday, Sunday or Metro Government legal holiday to be regarded as timely filed.
3. For Hosts who book exclusively on Online Booking Platforms: No monthly return shall be required. The online booking platform shall remit tax collected and file required returns for stays. The host will still be subject to registration as a business and filing an Occupational License Tax return in accordance with [LMCO §110.01, et seq.](#)
4. Electronic Filing Requirement: All business entities which host transient guests and are subject to the filing requirements of [LMCO §121.01](#) shall electronically file all returns, forms, reports, statements, and/or reconciliations.

§ 2.03 Late Payment Penalty and Interest

ORDINANCE AUTHORITY: [LMCO §121.03](#)

- A. Any person who is required to pay the tax imposed by [LMCO §121.01](#) on rents charged for occupancies who fails to pay the taxes on or before the date due shall be assessed a penalty of 5% of the unpaid amount of the tax whether or not the required return for the applicable period has been timely filed.
- B. In addition to the penalty of five percent (5%), any person who is required to pay the tax imposed on rents charged for occupancies who fails to pay the taxes on or before the due date shall pay simple interest at the rate of 12% per annum calculated on a daily basis from the date the payment was due until the date of payment.
- C. In addition, any person who fails to file the monthly return required hereby shall be charged a penalty of 5% per month or fraction of a month of the amount of the unpaid tax which said return, if properly completed and filed, would have shown to be due, provided, however, that the penalty shall not exceed 25% of the amount of the unpaid taxes.

§ 2.04 Incomplete, False or Fraudulent Return; Failure to Make Return; Penalty

ORDINANCE AUTHORITY: [LMCO §121.04](#)

The filing of incomplete, false, untimely or fraudulent returns as required under [LMCO §121.02\(C\)](#), is a misdemeanor punishable by a fine not to exceed \$100 or imprisonment not to exceed 50 days, or both. Incomplete returns include providing tax revenue information without identifying the property to which it belongs. The Revenue Commission is authorized to initiate criminal action, when appropriate, against any person, corporation, or entity that withholds transient room taxes within Louisville Metro and fails to remit such withheld tax to the Revenue Commission. The penalty imposed by this section shall be in addition to any penalties imposed by [LMCO §121.03](#).

§ 2.05 Refunds

ORDINANCE AUTHORITY: [LMCO §121.06](#)

- A. An overpayment of any tax collected may be refunded within two years of the date prescribed by law for the filing of a return or the date the money was paid to the Revenue Commission, whichever is later.
 1. Examples of where a refund may be requested include, but are not limited to, the following:
 - a. The taxpayer has double paid a tax period in error;
 - b. An Online Booking Platform and a Host both paid the taxes owed on the same booking;
 - c. The taxpayer erroneously paid taxes on a permanent guest; and
 - d. General mathematical errors.
- B. Refunds will only be paid, or credits made, if (i) timely requested by the person which made the overpayment on the period, and within the two year limitation contained in this section, (ii), the person is in compliance with the requirements in [LMCO §115.516](#) through [§115.519](#), and (iii) additional tax obligations for other periods have been satisfied by the requesting person.
- C. The request for a refund shall be made to the Revenue Commission in writing and shall state the amount requested, the applicable period, the basis for the request, and any other information the Revenue Commission reasonably requires. The taxpayer shall also state whether the tax was surcharged to its customers, and if so, document that those amounts were refunded to its customers.
- D. Exclusive authority to refund or credit overpayments of taxes collected pursuant to [LMCO §121.01](#) is vested with the Revenue Commission.