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## - MEDIA RELEASE -

### *Important Findings in New Wisconsin Room Tax Study*

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For Immediate Release  
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BROOKFIELD – The independent non-partisan Wisconsin Policy Forum (WPF) has just completed and released a new study on Wisconsin’s Room Tax: **“Checking In: A Look at Wisconsin Room Tax Trends”**

(<https://wispolicyforum.org/research/checking-in-a-look-at-wisconsin-room-tax-trends/>) that includes the release of a number of key findings relating to tourism, such as:

- The state’s Tourism Marketing Budget, which peaked at \$16 million in the year 2000 now remains stagnant at \$15.5 million, compared to major competitive states of Michigan and Illinois, both of which are well over double Wisconsin’s budget.
- The state tourism budget staying at 2000 levels is one of the reasons listed in the study for increases in local Room Tax over the years. In order to offset the loss in funding growth at the state level, increased marketing at the local level has been pursued. The study also references concerns with increasing local Room Taxes, as it increases the prices paid by visitors, which could prove to be a deterrent to attracting travelers.
- Numerous changes to the state Room Tax Statute over the years point to concerns by legislators that municipalities may turn to Room Tax on lodging guests to fund municipal budget needs rather than tourism development, with the study noting that protection of the Room Tax funding for tourism inspired the legislative changes.
- Room Tax was outlined as an unusual tax on the customers of only one business: Lodging.
- The study’s random sampling found multiple examples of incorrect and/or incomplete reporting to the DOR of Room Tax revenues received by municipalities.
- Municipalities “grandfathered” under the 1994 law are not currently required to report certain historical data that would help to more publicly clarify if they are complying with the law on the amount of the room tax revenue they are authorized to retain for their own use.
- The study also found in the random sampling that some municipalities are not allocating the required amount to tourism promotion and tourism development or are spending this portion themselves instead of expenditure by a tourism commission or tourism entity as required.
- The study noted the lack of major online platforms renting lodging in Wisconsin that are registering as “Lodging Marketplaces” and thus are not remitting state and county sales, and local room taxes – resulting in lost tax revenues at multiple levels of government.
- Room Tax may by itself appear to be a small tax, however the study notes it is added on top of state and county sales taxes as well as any expo or special district taxes, meaning it is a stacked total tax rate that adds up quickly.

- It was noted that in the Milwaukee area, which has a special exposition district tax status, room taxes are committed to helping to finance the new Fiserv Forum, and thus are not available to be used for other purposes, such as expansion of the Convention Center, until the debt is paid off.

While there are many further findings, the above are noted as a few key highlights of interest.

“The WPF’s new independent study on Wisconsin’s Room Tax demonstrates the need for increased state tourism marketing investments to enable us to become more competitive in attracting visitors to our state and economy. It also demonstrates that some clarifications in the room tax statute on data reporting and ensuring Lodging Marketplaces follow the law may be helpful moving forward.” stated Trisha Pugal, CAE, President, CEO of the Wisconsin Hotel & Lodging Association.

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The Wisconsin Hotel & Lodging Association (WH&LA) represents more than 650 hotels, motels, resorts, inns, hotel condos, vacation home rentals, and bed & breakfasts throughout Wisconsin. The WH&LA is a co-sponsor of the WPF “Checking In” study along with the Tourism Federation of Wisconsin and the Wisconsin Association of Convention & Visitor Bureaus.