



Lodging Tax Guidelines

RCW 67.28

Pursuant to RCW 67.28, the City Council of the City of Puyallup may impose an excise tax (lodging tax), not to exceed 2%, on the sale of, or charge made for, the furnishing of lodging.

Who can use lodging tax revenues?

Lodging tax revenues may be used:

- a. directly by a municipality;
- b. indirectly through a convention and visitors bureau; or
- c. indirectly through a destination marketing organization.

For what can lodging tax revenues be used?

Lodging tax revenues can be used for:

- a. Tourism marketing;
- b. Marketing and operations of special events and festivals designed to attract tourists;
- c. Supporting the operations and capital expenditures of tourism-related facilities owned or operated by a municipality; or
- d. Supporting the operations of tourism-related facilities owned or operated by nonprofit organizations.

What information must applicants for lodging tax revenues provide?

Applicants that apply for use of lodging tax revenues must provide certain information pertaining to the projected and actual attendance for any specific activity (event, festival, etc.).

For each activity, applicants must provide:

- a. The predicted and actual (or estimated) number of overall attendees and the method(s) for how the actual number was determined;
- b. The predicted and actual (or estimated) number of people who traveled a distance of over 50 miles to attend the activity and the method(s) by which the actual number was determined;
- c. The predicted and actual (or estimated) number of people who traveled from out of the state or country to attend the activity, and the method(s) by which the actual number was determined;
- d. The predicted and actual (or estimated) number of people who attended the activity and paid for overnight lodging, and the method(s) by which the actual number was determined;
- e. The predicted and actual (or estimated) number of people who attended the activity and did not pay for overnight lodging, and the method(s) by which the actual number was determined; and

- f. The predicted and actual number (or estimated) of paid lodging nights associated with the activity, and the method(s) by which the actual number was determined.

How are recipients of lodging tax revenues selected?

Puyallup’s lodging tax advisory committee selects the candidates from amongst the applicants applying for use of revenues. The committee provides a list of such candidates and recommended amounts of funding to the City Council for final determination. The City Council can choose only recipients from the list of candidates and recommended amounts provided by the lodging tax advisory committee.

What does “operation,” “tourism,” “tourism promotion” and “tourism-related facility” mean?

- a. “Operation” includes, but is not limited to, operation, management, and marketing.
- b. “Tourism” means economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs.
- c. “Tourism promotion” means activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.
- d. “Tourism-related facility” means real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor that is used to support tourism, performing arts, or to accommodate tourist activities, and is owned by:
 - i. A public entity;
 - ii. A 501(c)(3) nonprofit organization; or
 - iii. A 501(c)(6) nonprofit organization that is a business organization, destination marketing organization, main street organization, lodging association, or chamber of commerce.

Notes: Applicants for Lodging Tax funding must submit an application to the City Clerk by the deadline established by the Clerk. The Lodging Tax Advisory Committee may require or allow applicants to make oral presentations to the committee. Recipients of funding must sign a Lodging Tax Award Contract and submit reports to the City on a form and with content as required by the City Clerk.