



Legislation Text

File #: ORD-19:019, **Version:** 2

AN ORDINANCE TO AMEND CHAPTER 62-40 AND 62-41 OF THE JONESBORO CODE OF ORDINANCES FOR THE PURPOSE OF MODIFYING THE DEFINITIONS TO INCLUDE SHORT TERM RESIDENTIAL BUSINESS RENTALS AND LEVYING A TAX UPON SAID RENTALS

WHEREAS, the Advertising and Promotion Commission voted unanimously to request the City Council to consider modifying the definitions in the Hotel-Motel tax code to include new business types; and

WHEREAS, it is the desire of the Council to make those changes.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS:

SECTION ONE: That City Ordinance 62-40 be deleted and replaced with the following language:

62-40 Definitions.

1. **Gross Receipt Tax** means a tax of three percent (3%) upon the gross proceeds from renting, leasing, or otherwise furnishing of motel or hotel accommodations or short-term residential rentals in the city.
2. **Hotel or Motel Accommodations** means the renting, leasing, or otherwise furnishing of accommodations in hotels or motels upon a day-to-day basis or a week-to-week basis. Provided, however, that this shall not include the renting, leasing, or furnishing of accommodations upon month-to-month tenancies or tenancies of a longer duration.
3. **Short-term Residential Business Rentals** means the renting, leasing, or otherwise furnishing of accommodations in residential properties, utilizing online web sites or agents such as Airbnb, newspaper ads, direct marketing methods, Craigslist, word of mouth, and all other methods of advertising rental engagements upon a day-to-day or week-to-week basis, where the rentals exceed a total of thirty (30) days in any calendar year. This shall not include the renting, leasing, or furnishing of accommodations upon a month-to-month tenancies or tenancies of a longer duration. Short-term residential business rentals is further defined as any property requiring the owner to obtain commercial business insurance and/or file a Schedule E tax form reporting rental

income and expense.

SECTION TWO: Ordinance 62-41 shall be deleted and replaced with the following language:

62-41 Gross Receipt Tax

1. From and after the passage and approval of this section, a tax in the sum of three percent (3%) shall be levied upon the gross proceeds from the renting, leasing, or otherwise furnishing of hotel and motel accommodations or short-term residential business rentals for profit within the corporate limits of the City of Jonesboro, Arkansas. The tax herein levied shall be paid by the persons, firms, or corporations liable therefore, and shall be collected by the City Advertising and Promotion Commission in the same manner and at the same time as the gross receipts tax levied by act 386 of 1941, as amended. All the provisions of Act 386 of 1941, as amended, and the rules, regulations, and forms promulgated and prescribed by the commissioner of revenues pursuant to said Act shall, so far as practicable, be applied with respect to the enforcement and collection of the tax levied pursuant to this section.

PASSED AND APPROVED this 4th day of June, 2019.