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AN ORDINANCE AMENDING SECTION 62-40 and 62-41 OF THE JONESBORO CODE OF ORDINANCES FOR THE PURPOSE OF MODIFYING THE DEFINITIONS TO INCLUDE AND LEVYING A TAX UPON RESIDENTIAL BUSINESS RENTALS

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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.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Jonesboro, Arkansas that:

Section 1. City Ordinance 62-40 be deleted and replaced with the following language:

Gross receipt tax means a tax of three percent upon the gross proceeds from renting, leasing, or otherwise furnishing of motel or hotel accommodations or residential business rentals in the city.

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.

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 searching rental engagements, 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 a month-to-month tenancies or tenancies of a longer duration. 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 2. Ordinance 62-41 shall be deleted and replaced with the following language:

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 upon the renting, leasing, or otherwise furnishing of hotel and motel accommodations or 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.