

# FAQs for Reporting Lodging Tax Expenditures

*Updated December 2023*

## **Is JLARC collecting different data with the new data collection system?**

No, the data JLARC collects from municipalities is set in statute and has not changed in 2018. We are using a new system to collect the data.

## **When is the deadline for reporting?**

The deadline for reporting is listed on the lodging tax reporting system home page.

## **Can multiple people report expenditures for my municipality?**

Yes, multiple people from your municipality may enter and edit expenditure data. Please ensure that if multiple people report expenditure data that there are no duplicate expenditure reports.

## **What if I don't have data for some of the fields on the reporting form?**

Municipalities and the organizations to which lodging tax funds are awarded should make best efforts to collect data required by statute for lodging tax expenditures. JLARC recognizes that data for all fields may not be possible to obtain for all activity types. Please use the "Notes" field on the reporting form to explain missing data or blank data fields.

## **If I originally reported no expenditures but learn later that my municipality spent lodging tax funds, how do I report those expenditures?**

You can change your reporting status prior to the reporting deadline at any time. If the reporting deadline has passed, please contact JLARC at [jlarcclodgingtax@leg.wa.gov](mailto:jlarcclodgingtax@leg.wa.gov).

## **What if an organization requests lodging tax funds specifically to advertise an event or festival? Should the "activity type" be reported as "event/festival" or "marketing"?**

Lodging tax funds used to advertise a specific event/festival should be reported as "event/festival" since the advertising is targeted for a particular event/festival rather than marketing for the area in general.

## **What if an activity funded by lodging tax revenue does not fall into one of the three "activity type" categories (event/festival, marketing, facility)?**

Please select the category that best fits the activity and use the "Notes" section to provide additional information. [RCW 67.28.1816](#) specifies the activities that may be funded by lodging tax revenue. If you have questions about specific activities and expenditures, please work with the entity that provides your municipality with legal advice.

## **How do I define the date range for an ongoing activity?**

Since all reporting is for a calendar year, the maximum date range is January 1 through December 31 of the calendar year. The recipient will typically define the activity duration in its application for

funding. If the application is unclear about the activity dates, the municipality's Lodging Tax Advisory Committee (LTAC) and/or municipal council should clarify any uncertainty during the grant award process.

### **How do I report expenditure of lodging taxes when my municipality provides funds to an organization for multiple events and on-going activities?**

The Legislature is interested in obtaining information about the use and results of lodging taxes that is accurate and practical for recipients and municipalities to report. From this perspective, a municipality has a number of options. Below are two:

1. If the grant is made as a lump sum for marketing, operations, and special events, the recipient could report expenditures and results on a calendar year basis. That may be a practical approach if the recipient's application does not identify the cost and projected results for each of the three constituent activities (marketing, operations, and events).
2. A second approach would be to break out the constituent activities and report expenditures and results separately. This approach would require the recipient to track the funds spent for each constituent activity and report the resulting tourism and lodging impacts. Marketing and operations would be reported on a calendar year basis. Individual events would be reported for the period of their duration.

Each option has advantages and disadvantages. The first is simple but offers no specific financial detail about the various purposes for which the funds are used or the tourism-related results. The second option has more potential to provide detail on the constituent activities but is likely to require more effort and may create opportunities for error such as double reporting or under reporting tourist information.

### **How do I measure actual attendances?**

Although state law uses the term "actual" attendance, in instances where obtaining an actual attendance count by attendee category is impractical, a good faith best estimate will suffice. JLARC expects municipalities and LTACs to request that applicants state how they will determine either actual or estimated attendance and to report those methods along with their actual or estimated attendance figures to their respective municipalities. Municipalities will, in turn, report that information to JLARC.

JLARC staff do not have the expertise to provide such technical assistance in this area. We recommend that municipalities work with the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC) to identify resources that can provide technical expertise to lodging tax recipients.

### **What methods have been used to determine attendance in previous years?**

- **Direct Count:** Actual count of visitors using methods such as paid admissions or registrations, clicker counts at entry points, vehicle counts, or number of chairs filled. A direct count may also include information collected directly from businesses, such as hotels, restaurants, or tour guides, likely to be affected by an event.
- **Indirect Count:** Estimate based on information related to the number of visitors such as raffle tickets sold, redeemed discount certificates, brochures handed out, police requirements for crowd control or visual estimates.

- **Representative Survey:** Information collected directly from individual visitors/participants. A representative survey is a highly structured data collection tool, based on a defined random sample of participants, and the results can be reliably projected to the entire population attending an event and includes margin of error and confidence level.
- **Informal Survey:** Information collected directly from individual visitors or participants in a nonrandom manner that is not representative of all visitors or participants. Informal survey results cannot be projected to the entire visitor population and provide a limited indicator of attendance because not all participants had an equal chance of being included in the survey.
- **Structured Estimate:** Estimate produced by computing known information related to the event or location. For example, one jurisdiction estimated attendance by dividing the square footage of the event area by the international building code allowance for persons (3 square feet).

### Need additional help?

Please direct questions to [JLARClodgingtax@leg.wa.gov](mailto:JLARClodgingtax@leg.wa.gov).