



TAX CHANGE NOTIFICATION

December 26, 2018

Dear City of Grand Junction Lodging Business:

On November 6, 2018, the voters of Grand Junction authorized a 3% increase in the lodging tax for the City of Grand Junction ("New 3% Lodging Tax"). The New 3% Lodging Tax is collected on all taxable lodging transactions in the same manner as the current 3% lodging tax in accordance with the Grand Junction Municipal Code 3.08.010 et seq. You may find the applicable municipal code at <http://www.gjcity.org/city-government/financial-operations/sales-use-and-lodging-taxes/>. The total lodging tax of 6% will be collected on all lodging transactions, but reporting and remittance will be treated differently, as explained below.

Currently businesses are allowed to withhold a processing fee ("vendor's fee") to cover the expense of collection and remittance of the current 3% lodging tax. Because the cost of processing is not expected to increase with the New 3% Lodging Tax, no vendor's fee shall apply to the collection and remittance of the New 3% Lodging Tax.

The 2019 City of Grand Junction sales tax forms have been revised to reflect this change. Following is an example of the revised portion of the new form and the corresponding calculation of \$50,000 in total taxable lodging sales. The point of sale systems will still calculate a combined 6% lodging tax on transactions, but when completing the return those sales are split on line 10 and 12, as illustrated below.

10.	AMOUNT SUBJECT TO ORIGINAL LODGING TAX:	\$ 50,000	×	3.00% =	\$ 1,500	
11.	DEDUCT: 3.333% OF LINE 10 (LODGING VENDOR'S FEE IF PAID BY DUE DATE - NO MAX)				\$ 50	
12.	AMOUNT SUBJECT TO 2019 LODGING TAX INCREASE: (NO VENDOR'S FEE APPLIED TO 3% INCREASE)	\$ 50,000	×	3.00% =	\$ 1,500	
13.	TOTAL LODGING TAX: (LINE 10 MINUS 11 PLUS 12)				\$ 2,950	

If you receive and use a tax booklet, your 2019 booklet will be mailed in late January for monthly filers and February for quarterly and annual filers. **NOTE: The New 3% Lodging Tax becomes effective for transactions occurring on or after January 1, 2019, which means the New 3% Lodging Tax will first be reported on the tax returns due on February 20, 2019 or later.**

Please do not hesitate to contact me or Tatiana Gilbertson, Finance Supervisor, at tatianag@gjcity.org or 970-256-4025 if you have questions.

Thank You,
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