History

The Washtenaw County Accommodation Ordinance was adopted in 1975 by the Board of Commissioners [BOC] to collect an excise tax which under Michigan law, applied to providers of accommodations engaged in the businesses of providing rooms for dwelling, lodging, or sleeping purposes to transient guests.

The accommodation excise tax is 5% of reported room revenue for accommodations and became due on or before the 15th of each month for the previous month’s activity. The excise taxes charged for each transient guest are utilized to improve the local economy and to promote and encourage tourist and convention business within the County.

There have been five amendments to the Ordinance since its adoption. The most recent amendment was approved by the BOC on June 1, 2022. The Fifth Amendment to the Ordinance in Section 12 sunsets the Economic Development Coordination Committee effective June 1, 2022, and transferred oversight and governance to the Washtenaw County Board of Commissioners. Resolution Number 22-043 (PDF)).

Throughout the year monthly reports were prepared to reflect the excise tax revenue received, to report delinquencies and enforcement actions, if any, and distributed to the Washtenaw County Convention and Visitors Bureau (WCCVB). The County retained 10% of the monthly funding received to administer the fund and the remaining 90% was disbursed to the WCCVB.

Revenues

The total audited accommodations tax revenue collected and receipted by the Treasurer’s Office for 2023 was $7,907,589.54—An increase from 2022 revenues collected and receipted of $806,377.
Disbursements

The audited 2023 disbursement of accommodation excise taxes are shown below:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washtenaw County</td>
<td>10% of total taxes collected Jan - Dec</td>
<td>$790,758.85</td>
</tr>
<tr>
<td>Washtenaw County CVB</td>
<td>90% of total taxes collected Jan - Dec</td>
<td>$7,116,830.59</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$7,907,589.44</strong></td>
</tr>
</tbody>
</table>

Recent Excise Tax Revenue Timing and History

The timing of the collection, reporting/receipting, and distribution of the accommodation tax revenue spanned three (3) months.

- The 1st month hoteliers collected the excise tax from their transient guests.
- The 2nd month hoteliers reported to the County their room revenue subject to the excise tax and remitted the tax they collected in the 1st month.
- The 3rd month, the County distributed 90% of the taxes remitted and receipted into the Treasurer’s office in the 2nd month to the WCCVB, while the remaining 10% was held in a special fund at the County for administration [and enforcement action, if needed].
In addition, each year after the annual audit of the prior year is approved by the Board of Commissioners, the CVBs received an additional amount for their use.

These “Excess Fund Distributions” are depicted in the graph to the right And were in addition to their regular monthly distributions.
Delinquencies
There were no outstanding delinquencies in 2023 which required enforcement action to resolve.

Compliance Reviews
Administration and enforcement responsibilities included periodic compliance reviews of the 46 providers of accommodations within Washtenaw County.
Compliance reviews are not audits, but rather a review of the books and records which determine the total room revenue reported each period is correctly reflected in the monthly report and the 5% excise tax remitted is the correct amount.

The “provider of accommodation” is given advance notice to meet with the Finance Department to review select periods of any given year [current year and up to three (3) years previous]. A compliance review ensured the provider is correctly applying the spirit of the Ordinance and the taxes remitted are appropriate.