

Information on Madison Village Hotel/Motel Tax

Nature of Tax: This tax is imposed upon the rent received by a lodging establishment (such as a hotel or bed & breakfast inn) for lodging furnished to transient guests within the Village of Madison. The term "hotel" means every establishment kept, used, maintained, advertised, or held out to the public to be a place where sleeping accommodations are offered for a consideration to guests, in which 5 or more rooms are used for the accommodation of guests, whether the rooms are in one or several structures. The term "bed & breakfast inn" means a residential structure in which 2 or more rooms are available to paying guests and are lodged on an overnight basis. The guests may be served breakfast in connection with their lodging.

Persons Subject To Tax: The occupant, lessee, or tenant of any such lodging establishment is liable for payment of the tax. The tax is collected by the owner or operator of said establishment and remitted to the Madison Village Tax Administrator on a quarterly basis.

Exemptions: Only three exemption classifications are allowed:

- 1. Governmental employees of the Federal Government**
- 2. Governmental employees of a State Government or their political subdivisions**
- 3. Occupancy for 30 consecutive days or more – permanent guest/tenant.**

To be eligible for exemption, Parts A & B of a Madison Village Hotel/Motel Tax Exemption Certificate must be completed by the guest. Part C of the form must be completed by the lodging establishment agent and verified.

Rate of Tax: The tax is 3% of the per diem rental rate for each room or unit.

Due Date for Payment of Tax: Filing of a return is REQUIRED quarterly, unless otherwise instructed by the Village Tax Administrator

Period Ending:	Payment Due/Filing Deadline:
3/31	04/30
6/30	7/31
9/30	10/30
12/31	1/31

Penalty: 10% of the total tax due for failure to file the return or pay the tax by the due date indicated above for the corresponding period end date.

Interest: 1% for each month or fraction thereof for late payment (if tax is not paid within 30 days of due date).

For Further Info: Please refer to Madison Village Ordinances 35-2007, 1-2016, & 22-2023 for the complete guidelines regarding definitions, collection of tax, penalties, interest, fraud, appeals, etc. The ordinances are available on the Village website: www.madisonvillage.org. You may also contact the Village Tax Administrator for specific questions or to request a paper copy of the Ordinance, at (440) 428-7526