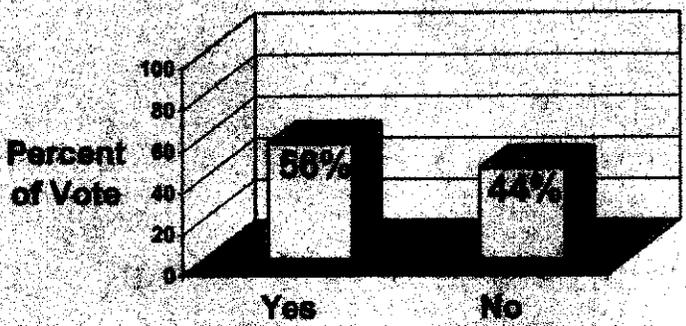




## WHITEFISH RESORT TAX OVERVIEW (1996 to date)

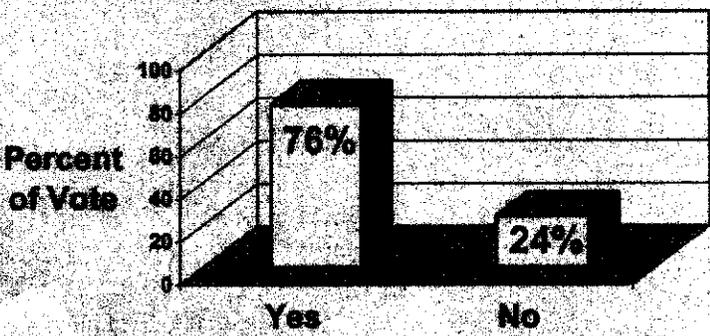
The Whitefish Resort Tax was approved by City voters, with 56% voting in favor, on November 7, 1995. The tax was implemented on February 1, 1996, initiating a 20-year term that expires on January 31, 2016.

**Resort Tax Election Results  
November, 1995**



On November 2, 2004, Whitefish voters approved a ballot measure to reauthorized the tax for a new 20-year term, effectively extending the ending date of the tax an additional 9 years, from 2016 to 2025. The election results for reauthorization were 76% "Yes" and 24% "No".

**Resort Tax Reauthorization  
Election Results  
November, 2004**



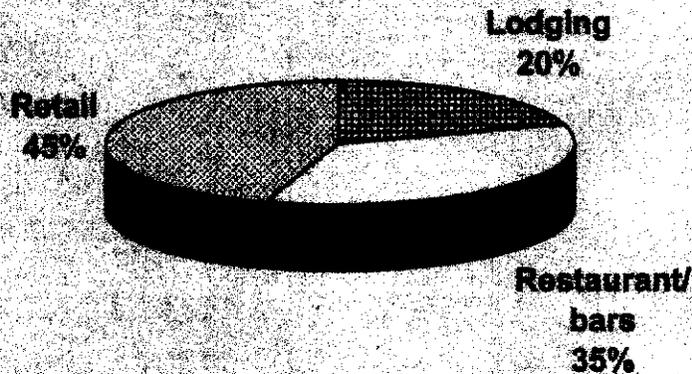
**Resort Tax Structure:**

The tax rate, tax base (including exemptions), use of tax dollars, and other terms are set by the Resort Tax Ordinance, which can only be changed with voter approval. The ordinance levies a 2% sales tax on specified goods and services sold within the City by:

- Lodging facilities (hotels, motels, etc.)
- Restaurants, bars and taverns.
- Retailers (who sell items defined as "luxuries" by the Resort Tax Ordinance).

**Distribution of Tax Collections (by economic sector):**

**Whitefish Resort Taxes  
collected by economic sectors  
(1996 to date)**



**Resort Tax Form:**

Attached to the back of this report is the 2/3-page form used to file monthly reports with the City.

### **Use of Resort Tax Revenue:**

The Resort Tax Ordinance specifies that the proceeds from the tax be distributed as follows:

- 25 percent to property tax reduction for taxpayers residing in the City of Whitefish.
- 65 percent to the improvement of streets, sidewalks, gutters, curbs and City related underground utilities.
- 5 percent to bicycle paths and other park capital improvements.
- 5 percent to administration of the tax (retained by tax collecting businesses).

### **Resort Tax Monitoring Committee:**

The Whitefish Resort Tax Monitoring Committee is a committee created by City ordinance. The purpose of the committee is to (a) monitor the use of Resort Tax proceeds to assure compliance with the voter-approved Resort Tax Ordinance and (b) advise the City Council on matters pertinent to the Resort Tax, such as project recommendations. The committee has no authority to approve or deny projects or expenditures. Such decisions are reserved to the elected City Council.

#### **Committee membership:**

The Resort Tax Monitoring Committee has nine members with the following representative positions:

- One member representing lodging businesses.
- One member representing restaurants/bars/taverns.
- One member representing retail businesses.
- One member representing community businesses at-large.
- One member representing the City Council.
- Four members representing the general public.

**Resort Tax Revenue Collected:**

Collections (Inception through FY03/04):	\$7,786,517
Interest Income	278,059
Projected collections for FY04/05:	<u>\$1,308,490</u>
TOTAL:	<u>\$9,368,066</u>

Since inception, tax collections have seen average annual growth of 6 percent, demonstrating sustained growth in the local economy.

**Resort Tax Expenditures (Inception to FY04-05):**

Property tax relief since 1996:	\$2,164,860
Street improvements since 1996:	\$4,360,705
Park improvements since 1996:	\$244,681
Improvements/tax relief pending	<u>\$2,592,820</u>
TOTAL:	<u>\$9,363,066</u>

**Annual Property Tax Relief since 1996:**

Fiscal Year	Dollars Rebated
1996/97	\$ 66,172
1997/98	\$ 205,910
1998/99	\$ 205,573
1999/00	\$ 246,228
2000/01	\$ 269,651
2001/02	\$ 272,631
2002/03	\$ 278,562
2003/04	\$ 296,668
2004/05	<u>\$ 323,485</u>
TOTAL	<u>\$ 2,164,860</u>

The total of \$2,164,860 rebated to taxpayers represents 25.3 percent of all mill-based taxes levied by the City during the time period of FY1996/1997 through FY2004/2005.

**Resort Tax projects funded since 1996:**

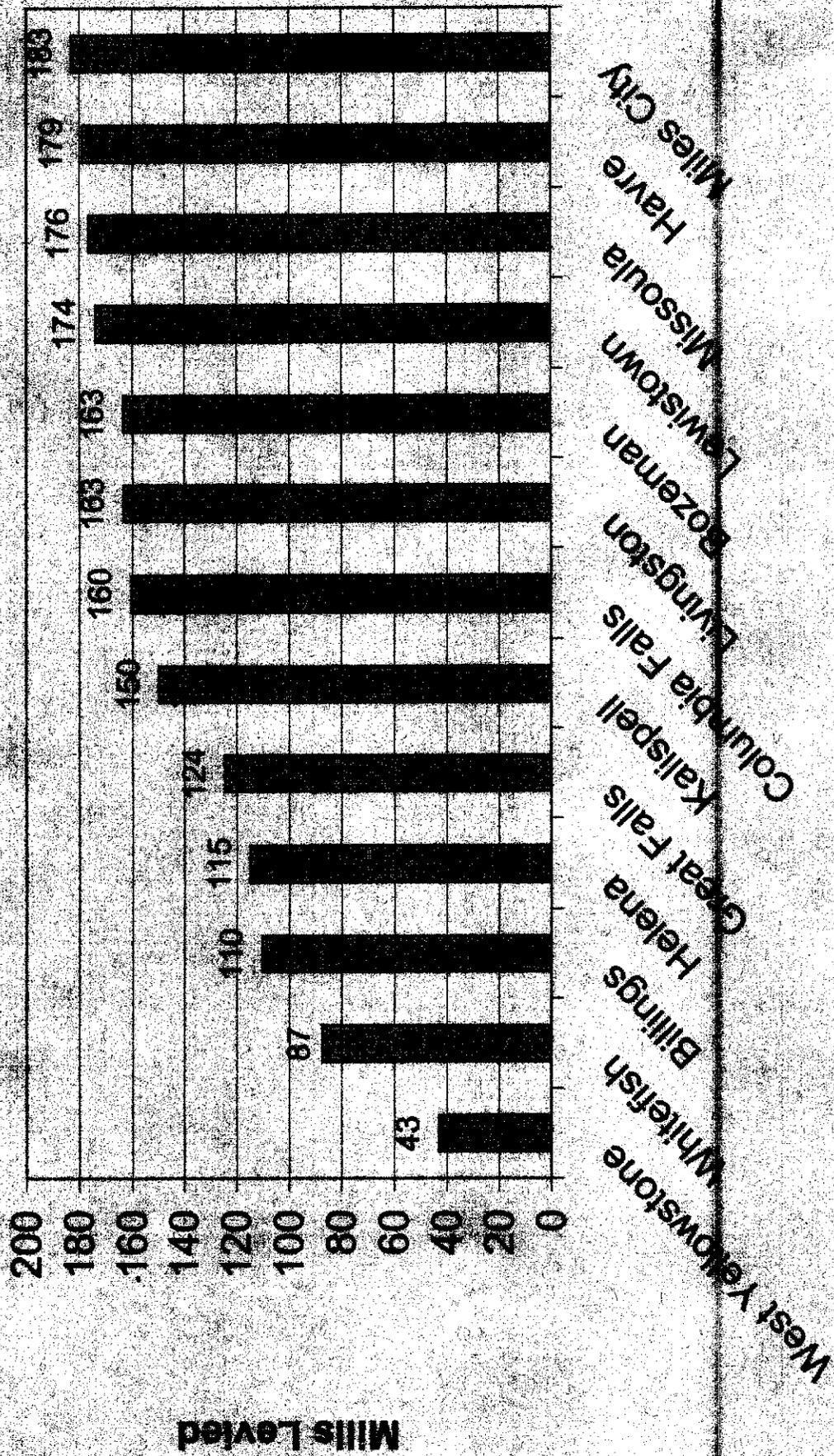
**STREETS:**

- Baker Avenue (2nd Street to River)
- Baker Avenue (River to 10th Street)
- 7th Street (Columbia Avenue to Pine Avenue)
- Columbia Avenue (River to 7th Street)
- Columbia Avenue (2nd Street to 7th Street)
- Skyles Place (Wisconsin Avenue to Dakota Avenue)
- Lupfer Avenue (Entire length)
- Railway St. (Miles Avenue to O'Brien Avenue)
- Railway St. (Columbia Avenue to Somers Avenue)
- Somers Avenue (Railway Street to 2nd Street)
- Community-wide sidewalk replacement project - 84 blocks

**PARKS:**

- Riverside Park Bike/Ped Path.
- Baker Street Park Bike/Ped Path.
- Grouse Mountain Park Tennis Court reconstruction.
- Riverside Park Tennis Court improvements.
- Kay Beller Park Construction.
- Memorial Park Basketball Court Resurfacing.

# City Mill Levy Comparison 2003 - 2004



CITY OF WHITEFISH  
Resort Tax Transmittal Form  
(Ordinance No. 95-15)

Reporting for month of: \_\_\_\_\_

\_\_\_\_\_  
Name of Business

Adjusted  
Gross Taxable Sales: (Line A) \_\_\_\_\_

\_\_\_\_\_  
Address of Business

x 2% = Gross Tax : (Line B) \_\_\_\_\_

Less 5% Administration Fee  
(Line B x 5%) : (Line C) \_\_\_\_\_

Delinquent Charge  
(# Days Late x 0.000274  
x Line B) : (Line D) \_\_\_\_\_

TOTAL DUE  
(Line B - Line C + Line D) \_\_\_\_\_

(NOTE: TRANSMITTAL FORM MUST  
BE SUBMITTED EACH MONTH  
EVEN IF NO TAXABLE SALES  
ARE RECORDED.)

Tax payments are due by the 20th of the month following the reporting period. Late payments are subject to a penalty of 10% per year. Please make check payable to the "City of Whitefish" and mail or deliver to City Hall: 418 East 2nd Street (P.O. Box 158), along with white copy of this form. **Retain yellow copy for your records.**

CITY OF WHITEFISH  
P.O. BOX 158  
WHITEFISH, MT 59937

# WHITEFISH RESORT TAX

## Tax Transmittal Form

The Resort Tax Transmittal Form is the only document by which each business responsible for collecting the tax will be required to report and transmit the tax collections. The tax is to be transmitted to the City Clerk's office not later than the twentieth day of the month following collection. In the event the twentieth day falls on a weekend or holiday, the transmittal is to become effective the first subsequent working day.

The tax transmittal form is very simple to complete. The business operator indicates the collection month for which the tax is being reported and transmitted. Completing the form is as follows:

1. **Line A** of the form is to display the "*gross taxable sales*" for the month. Gross sales are considered on a "cash" basis and, thereby, may be "adjusted" to exclude charged sales until they are paid;
2. **Line B** will show the sum of Line A multiplied by two percent: the resort tax;
3. **Line C** represents five percent of Line B, that is, Line B multiplied by "*0.05*." This line represents the sum retained by the business to compensate for the effort to collect the tax;
4. **Line D** is retained for calculating a delinquent tax transmittal, that is, a transmittal which is being made later than the twentieth of the month following the reporting month. A figure will be included on this line **ONLY** in the event of a late transmittal. The "*0.000274*" by which the number of "*days late*" is to be multiplied, represents ten percent divided by 365 days in the year.
5. **Finally**, the "*total due*" is calculated by subtracting Line C from Line B, and adding Line D. This represents the total tax due for the month.

The only other requirement is to add the name and address of the business transmitting the tax. The business is to retain the second sheet for its records.