



Accounting for Innkeepers Tax

2024 Treasurers Conference

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Who's collecting?

- ❖ 80 counties are collecting innkeepers' tax
 - 75 of the 80 counties collecting innkeepers' tax for Tourism Commissions are a department of the county
- ❖ Allen, Clark/Floyd, Marion and Lake County Tourism Commissions are separate entities.

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Statutory Authority

- ❖ IC 6-9 allows a County Fiscal Body to adopt the innkeeper's tax:
 - 20 Specific statutes
 - Uniform statute (IC 6-9-18)
- ❖ Tax collected IC 6-9-18-3(d):
 - DOR
 - County Treasurer (Ordinance Required)
- ❖ Required Reporting IC 6-9-29-5):
 - March 1 (Treasurer to DOR)
 - April 1 (DOR to Commissions)



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Tourism Commission

- ❖ Mandates the creation of a Tourism Commission
 - Created by state statute (Commissions, Convention and Visitor Commission, Board of Managers)
 - Created by local ordinance (Commission)
 - Tourism Commission is a department of the County



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Collecting and Distributing Innkeepers' Tax

IC 6-9-18-4 states in part:

“(a) If a tax is levied under Section 3 of this chapter, the county treasurer **shall establish a convention, visitor, and tourism promotion fund. He shall deposit in this fund all amounts he receives** under that section.

(b) In a county in which a commission has been established under Section 5 of this chapter, the county **auditor shall issue a warrant directing the county treasurer to transfer money from the convention, visitor, and tourism promotion fund to the commission's treasurer if the commission submits a written request** for the transfer.”

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Treasurers Duties

- ❖ Collects innkeepers' tax directly or receives from DOR
- ❖ Innkeepers' Tax is **not** maintained of the Cashbook
- ❖ Quietus is required for innkeepers' tax received
- ❖ Innkeepers' Tax should be posted to the funds timely
- ❖ Funds should **not** be held until settlement
- ❖ Allows funds to be available when requested

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Auditor Funds

- ❖ Innkeepers' Tax Collections (Fund 7304)
 - Used only to hold or clear funds
 - Transfer to the Tourism Commission
 - Fund must zero out
 - Allen, Clark/Floyd, Marion and Lake must use this fund (audited separately from County)

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Tourism Commission Maintains Records



- ❖ Tourism Commission's treasurer accounts for financial activity outside county records
- ❖ Supplemental AFR required as the commission is audited as part of the county and included in AFR
- ❖ Tourism Commission expenses will be paid as follows:
 - Tourism expenses (salaries, supplies, capital)
 - AND/OR**
 - Pay the NFP – Tourism Commission contracts w/ NFP



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Auditor Funds

- ❖ Convention, Visitor, & Tourism Promotion (Fund 1127)
 - Used for the operation of the Tourism Commission
 - Not applicable to Allen, Clark/Floyd, Marion and Lake
 - Fund used to maintain Tourism Commission's records
 - Tourism Commission claims paid from this fund (operating , capital, nfp)

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Auditor Maintains Tourism Commission Records



❖ No supplemental AFR is required as the fund is already part of the audit and AFR

❖ Tourism Commission expenses will be paid as follows:

- Tourism Commission expenses (salaries, supplies, capital)

AND/OR

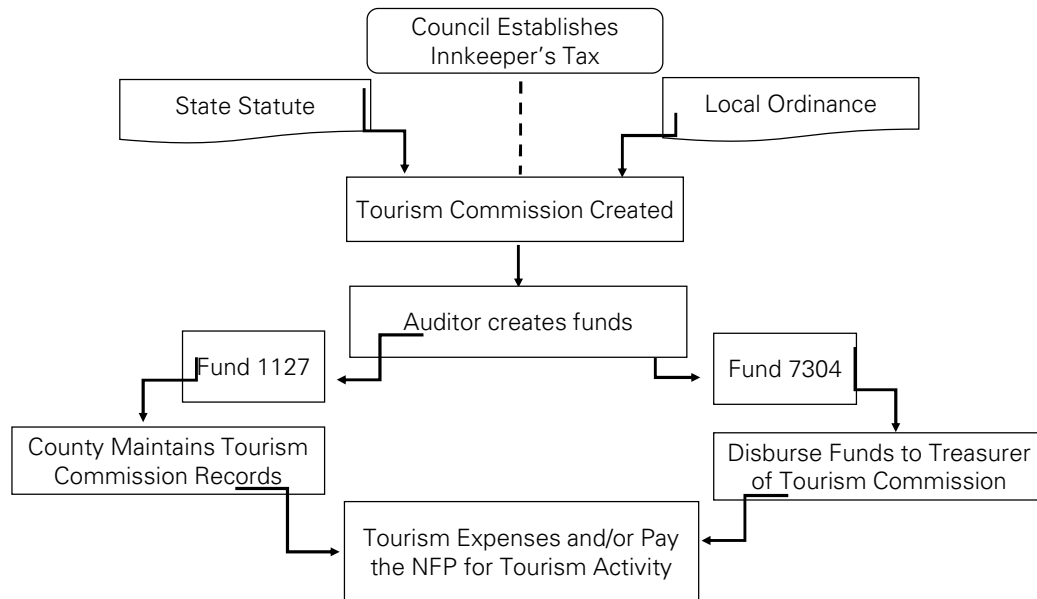
- Pay the NFP – Tourism Commission may contract w/ NFP



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Convention and Tourism



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Contracting with Not For Profits

❖ In order for the county to give money to a not for profit an agreement is required. The agreement should address the following:

- Clear delineation between the two
- The amount on money to Commission with provide
- The services the NFP will provide

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Resources

❖ Department of Revenue

<https://www.in.gov/dor/business-tax/tax-rates-fees-and-penalties/county-innkeepers-tax/>

❖ Indiana Tourism Association

<https://www.indianatourismassociation.com/>

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