RESORT TAX
— BUILDING BIG SKY SINCE 1992 —

Big Sky Resort Area District
PO Box 160661 | Big Sky, MT 59716
(406) 995-3234 | info@resorttax.org
www.resorttax.org

SHORT-TERM RENTAL
RESORT TAX OVERVIEW

On April 13, 1992, the general electorate of the Big Sky Resort Area adopted a 3% Resort Tax. The Resort Tax encompasses all goods and services deemed "luxury items" sold within the Big Sky Resort Area District, with the exception of specific items listed in the District's Legal Ordinance No. 98-01-ORD. Section 4.7.l of this Ordinance deems all short-term rentals (less than 30 days) subject, by law, to the resort tax. Guidelines for the resort tax:

- Taxes are collected and remitted to the Big Sky Resort Area District on a monthly or quarterly basis. The BSRAD office must receive a remittance form and payment of taxes via MUNIRevs every month or quarter.

- Eligibility for quarterly tax remittance may be established by the resort tax office at the time of registration. If your business remits less than $5,000 in resort taxes per year you are eligible to remit quarterly. Please contact the office at info@resorttax.org if your rental is currently remitting monthly and would prefer to remit quarterly.

- Tax payments are due and must be received (NOT postmarked) by the last day of the month following the reporting month or quarter. For instance, taxes collected in February are reported as February but due by March 31st; and for quarterly remitters, taxes collected in January, February, and March are reported as 1st Quarter and due by April 30th.

- If zero taxes were collected in a reporting month, a zero file tax return must still be remitted stating zero gross taxable sales and zero resort tax due.

- If a property will not be rented for a known amount of time, the collector may notify MUNIRevs at support@munirevs.com. This informs the office that the property is "closed" and the collector is not required to submit a remittance form during the specified time.

- As noted on the online payment form, the collector may retain 5% of the resort taxes collected as an administrative fee.

- Tax payments not received with proper documentation by the due date are considered delinquent and are subject to:
  - a late fee of $30 for each reporting month that is delinquent
  - an interest charge on late payments at 12% per annum (1% per month) which is 1% for 1 month overdue, 2% for 2 months overdue, 3% for 3 months overdue, etc.
  - other enforcement remedies as specified in Section 17 of Ordinance No. 98-01, as amended 11.25.19.

- Separate from resort tax, the State of Montana collects lodging taxes totaling 8%. If your business is not already registered with the state, please contact the Montana Department of Revenue for more information at Toll Free 1-866-859-2254 (in Helena, 406-444-6900) or register online at https://tap.dor.mt.gov/_/ .

- As with the State Lodging Tax, cleaning fees are taxable. Taxes are to be charged on what each guest is charged by the property owner or manager. Generally, cleaning fees are passed on from the owner to the guest so they are considered taxable if the owner is charging a guest for a cleaning fee.

- Taxes do not apply to rental agreements for a duration longer than 30 consecutive days and do not apply to employee housing, regardless of duration.

- VRBO/HomeAway began collecting the 3% resort tax on bookings taken January 1, 2020 and they remit the taxes directly to the District on behalf of the owner. AirBnb and other booking platforms do not collect the resort tax, so owners using these sites should collect the 3% resort tax and remit the amounts via their MUNIRevs account.