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Town of Palisade, Colorado

Finance Department

2023 Lodging Fee Notice Change

December 21, 2022

Hello Business Owner:

In the November 2022 general election, the voters of The Town of Palisade approved a lodging fee increase. Starting January 1, 2023, lodging fees are increased to six dollars (\$6.00) per occupied room per night. This applies to all businesses that provide rooms for rent for less than 30 days. The following are examples of how this fee may affect different business types:

1. Hotel: Each occupied bedroom per night is subject to a separate fee. (Example – One room with two separate bedrooms rented by one person is subject to \$12 per night fee. Both bedrooms are occupied by one person and not available for rent to another party)
2. Campground, Cabin, and RV Park: Campground spaces are subject to the fee. Each camp site is counted as one bedroom. Cabin bedrooms are counted based on the number of sleeping areas defined by a wall in the cabin. RV spaces are counted as one bedroom per RV parked in the space.
3. Bed and Breakfast:
 - a. If every bedroom in the bed and breakfast is subject to individual rental by unrelated occupants, every occupied room is subject to the \$6 fee per night. Unoccupied rooms are not subject to the fee.
 - b. If two or more bedrooms are rented as a unit, for every night the unit is rented each bedroom is considered occupied and subject to the fee. (Example: One rental unit has three distinct bedrooms and is rented to two people for one night. \$18 per night is owed in fees (\$6 Fee x 3 Bedrooms x 1 Night)
4. Short-Term Vacation Rental of Residential Property (AirBNB, VRBO, etc.)
 - a. If every bedroom in the short-term vacation rental is subject to individual rental by unrelated occupants, every occupied room is subject to the \$6 fee per night. Unoccupied rooms are not subject to the fee.
 - b. If two or more bedrooms are rented as a unit, for every night the unit is rented each bedroom is considered occupied and subject to the fee. (Example: One rental unit has three distinct bedrooms and is rented to two people for one night. \$18 per night is owed in fees (\$6 Fee x 3 Bedrooms x 1 Night)

All businesses must have a current business license issued from the Town of Palisade and be in compliance with all Land Use, Fire, Building, and Municipal codes. Businesses must have an active sales tax license issued by the State of Colorado. Lodging Fee tax returns are due monthly and are required to be remitted not later than the 20th day following the reporting month. Returns are required regardless of rental activity and “zero” returns should be filed monthly.

This new rate will apply to all lodging rentals as described beginning January 1, 2023, as measured at the time the rental unit is physically occupied per ordinance and/or ballot language.

Please contact us with any questions you may have regarding this notice.