

Tourism, Recreation, and Restaurant Taxes

Revenue and Taxation Interim Committee
August 21, 2024



DAVID ECCLES SCHOOL OF BUSINESS

Overview

- What are (and are not) tourism, recreation, and restaurant taxes?
 - Transient room tax
 - Tourism, Recreation, Cultural, Convention, and Airport Facilities (TRCCA) taxes
 - ~~• Salt Lake City Convention Hotel tax area~~
 - ~~• Rural County Health Care Tax~~
 - ~~• Tourism Marketing Performance Fund~~
 - ~~• Convention and Tourism Assessment Area~~

Hotel Transaction Taxes and Assessments

Downtown Salt Lake City Hotel

1 Night Stay	\$165.00
State and local sales tax (7.75%)	\$12.78
Transient room taxes (6.07%)	\$10.02
CTAA levy (2.00%)	\$3.30
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Total Tax (15.82%)	\$26.10
TOTAL	\$191.10
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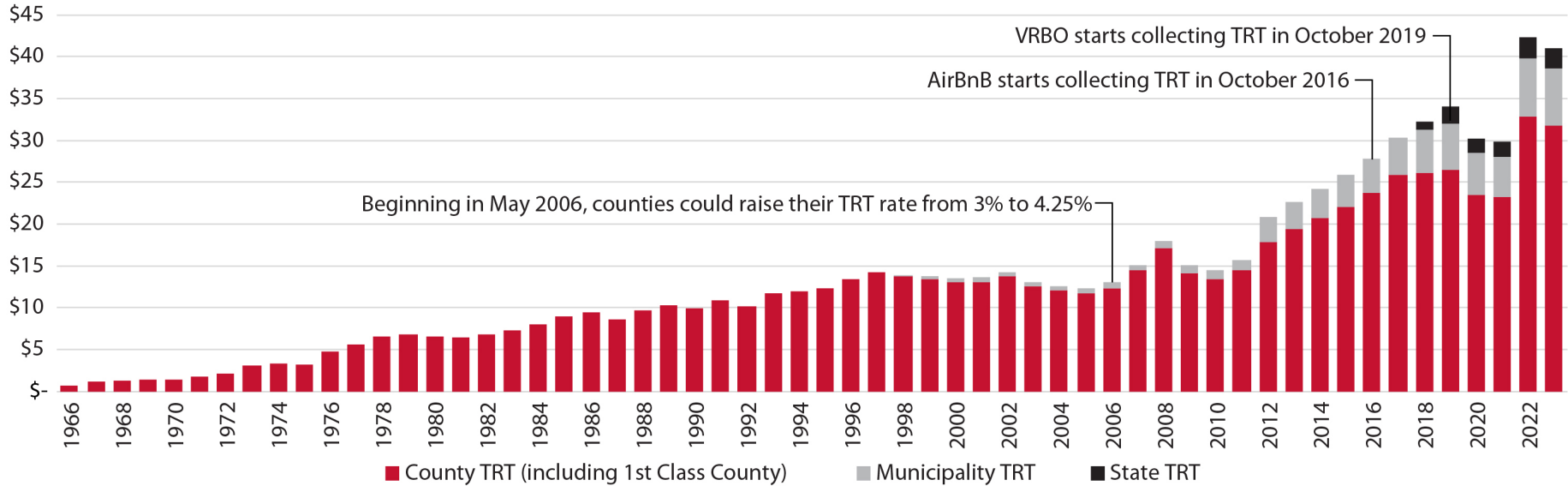
Source: Kem C. Gardner Policy Institute

Overview - TRT

- County – up to 4.25%
- Municipal – up to 1.5%
- State – 0.32%

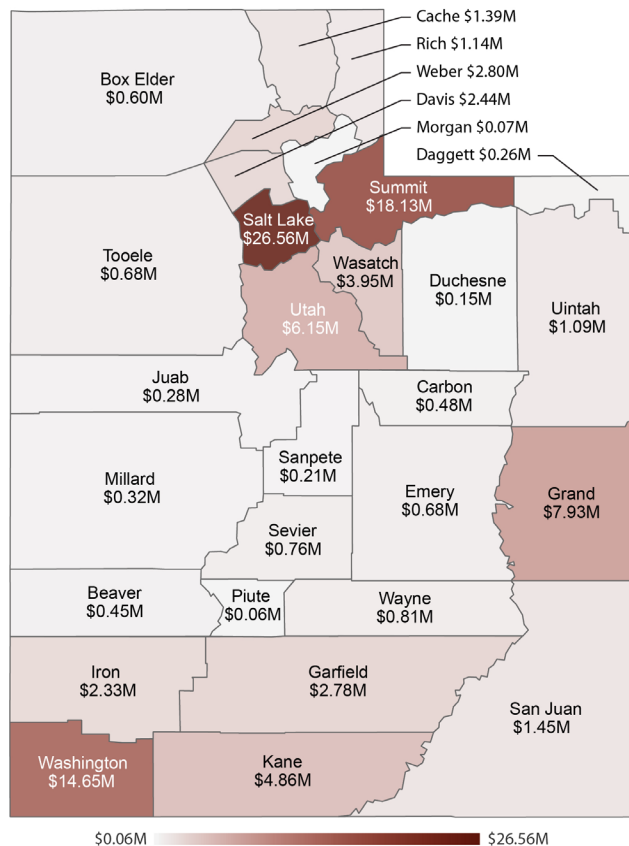


Real per Capita Total TRT Collections



Source: Kem C. Gardner Policy Institute

TRT Collections by County, FY 2023



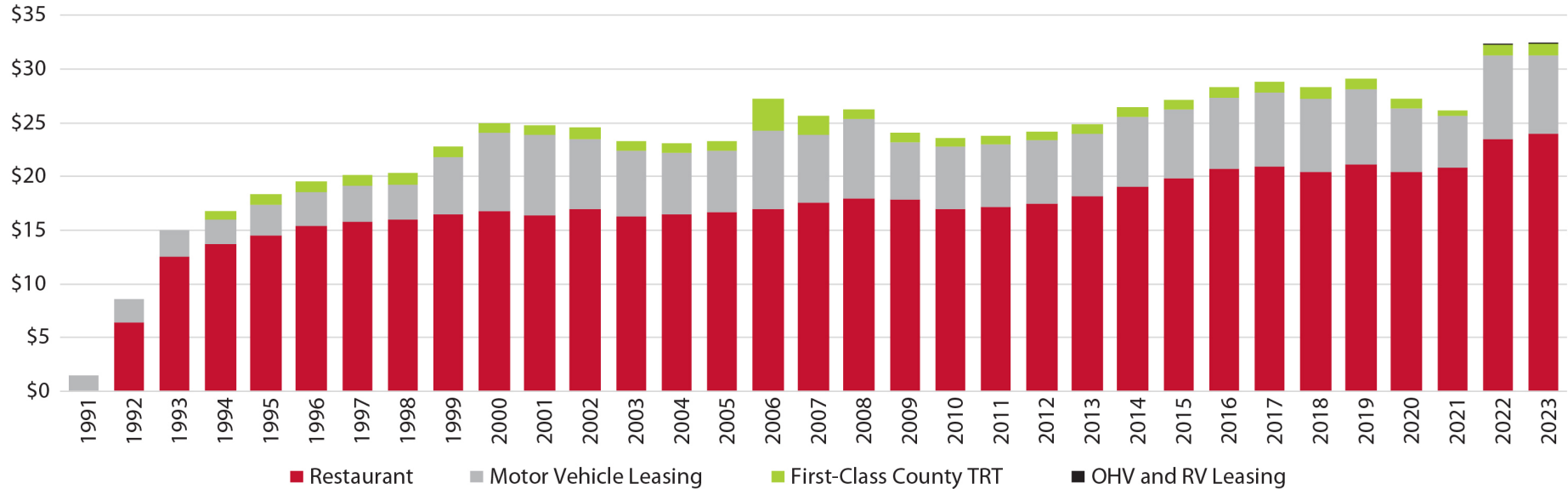
Source: Kem C. Gardner Policy Institute

Overview - TRCCA

- Restaurant sales – 1%
- Short-term motor vehicle rentals – 7%
- Short-term rentals of OHVs and RVs – 7%
- Tourism transient room tax (first-class county) – 0.5%

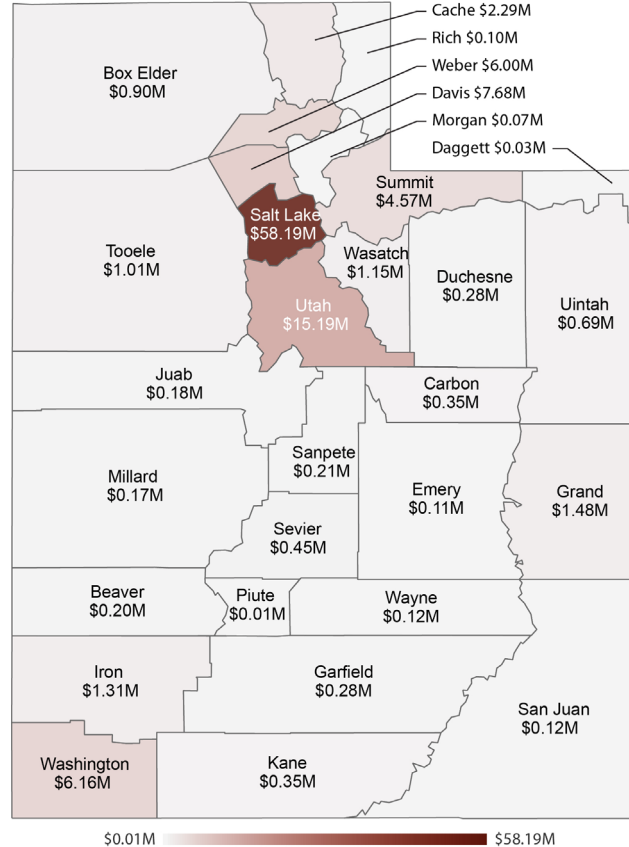


Real per Capita TRCCA Collections



Source: Kem C. Gardner Policy Institute

TRCCA Tax Collections by County, FY 2023



Source: Kem C. Gardner Policy Institute

Key Findings

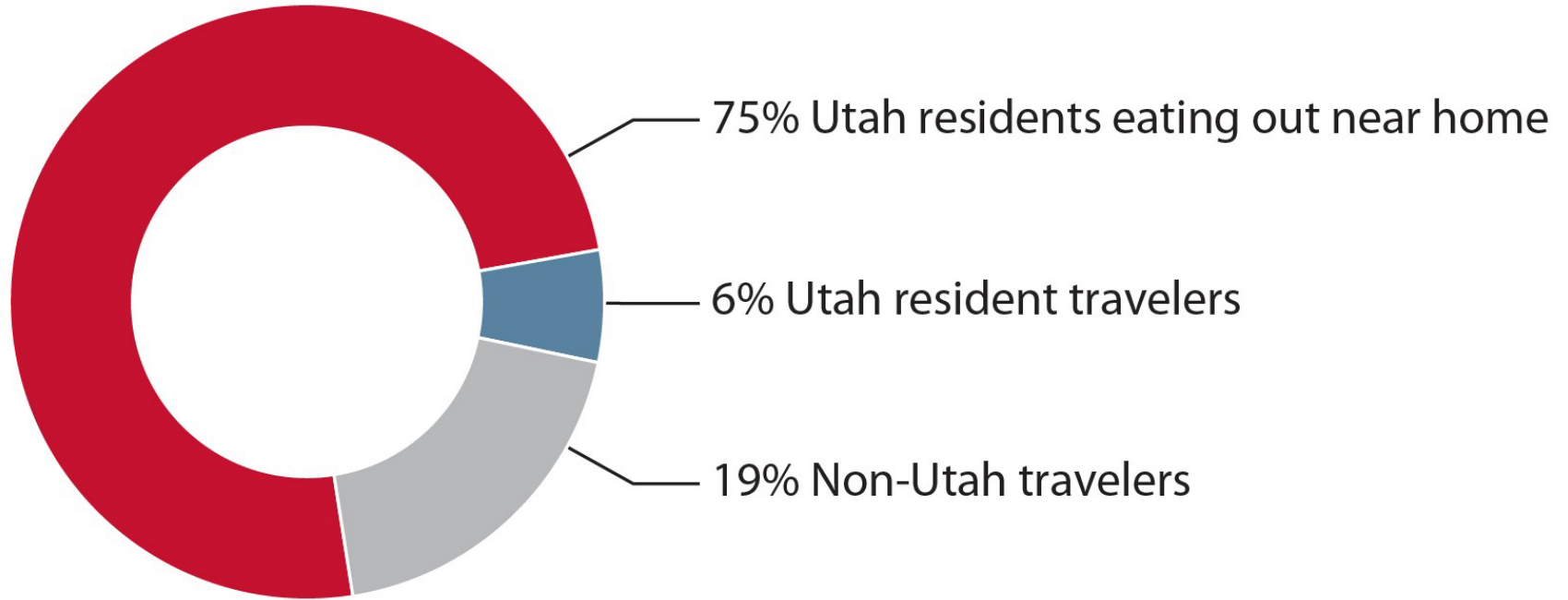
- **Nonresident travelers generate the majority of TRT collections, but Utah residents generate the majority of restaurant tax collections**

Estimated Share of Restaurant and Lodging Sales by Consumer Origin



Source: Kem C. Gardner Policy Institute analysis of data from Utah State Tax Commission, Moody's Analytics, U.S. Bureau of Labor Statistics, Omnitrak/Tourism Economics

Estimated Share of Restaurant Tax Paid by Consumer Type

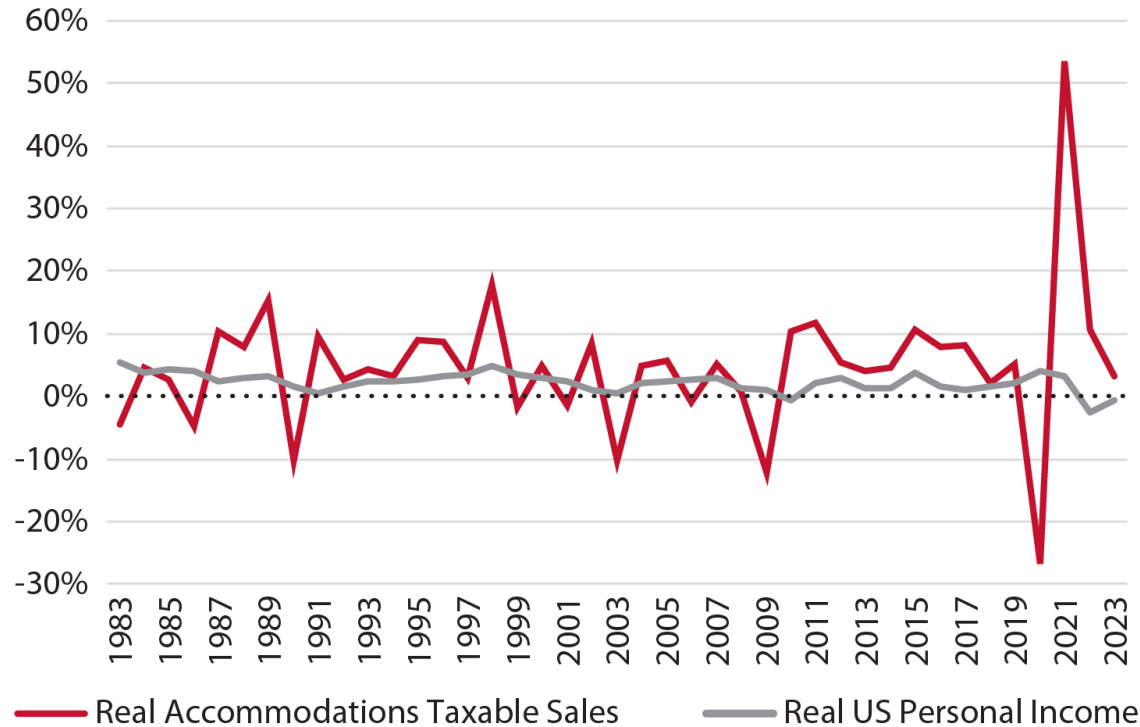


Source: Kem C. Gardner Policy Institute analysis of data from Utah State Tax Commission, Moody's Analytics, U.S. Bureau of Labor Statistics, Omnitrak/Tourism Economics

Key Findings

- Nonresident travelers generate the majority of TRT collections, but Utah residents generate the majority of restaurant tax collections
- **Tourism tax collections tend to be cyclical with the economy**

Inflation-Adjusted Year-Over Growth of Accommodations Taxable Sales vs. Personal Income

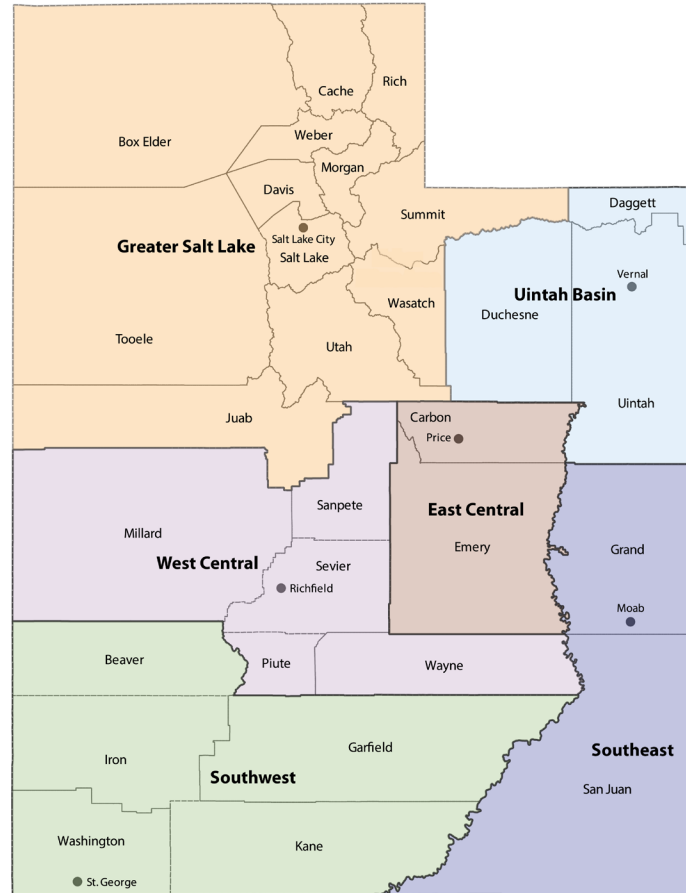


Source: Kem C. Gardner Policy Institute analysis of data from Utah State Tax Commission, U.S. Bureau of Labor Statistics

Key Findings

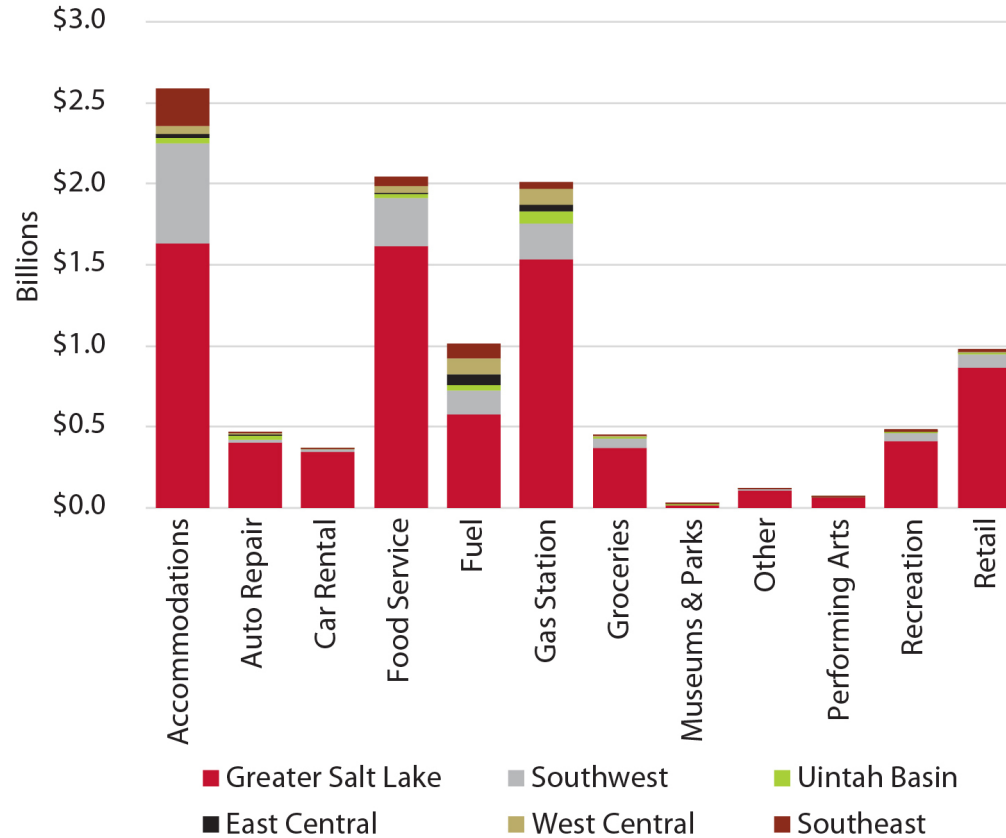
- Nonresident travelers generate the majority of TRT collections, but Utah residents generate the majority of restaurant tax collections
- Tourism tax collections tend to be cyclical with the economy
- **Travelers generate additional state and local revenue beyond tourism, recreation, and restaurant taxes**

Utah's Economic Regions



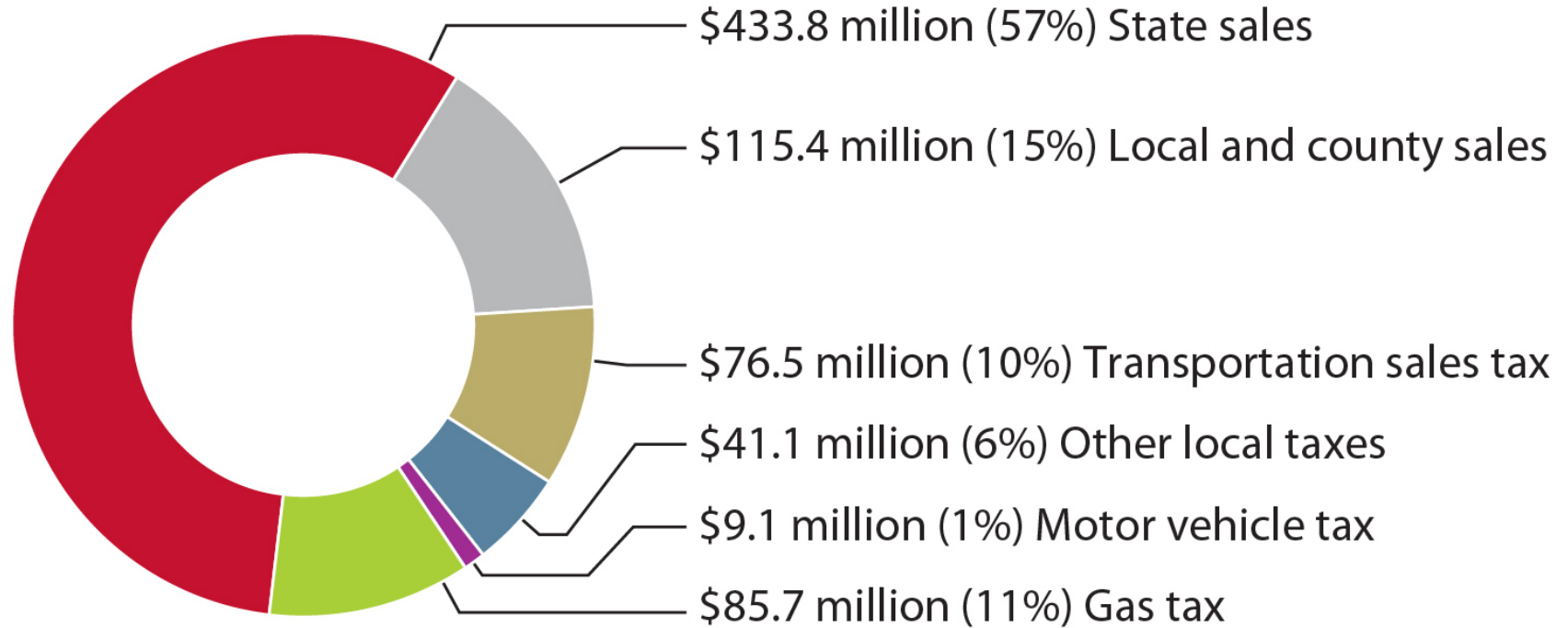
Source: Kem C. Gardner Policy Institute

Total Traveler Spending in Utah, 2022



Source: Kem C. Gardner Policy Institute analysis of data from Utah State Tax Commission and Tourism Economics

Additional State and Local Sales and Excise Tax Revenue Generated by Traveler Spending in Utah, 2022



Source: Kem C. Gardner Policy Institute analysis of data from Utah State Tax Commission and Tourism Economics

Ongoing Issues

- Regional variations in revenue collections
- Disparate tourism and recreation impacts and needs in rural and urban areas with different types of tourism
- Allowable uses of funds

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