



TRANSIENT GUEST TAX

KANSAS TOURISM CONFERENCE 2017



STATE TGT

- Kansas' Transients Guest Tax enacted in 1977
- Kansas' TGT is collected at the local level and sent to the state for distribution
- Local communities receive 98% of the TGT, the Kansas Department of Revenue retains 2% for processing fee
- State statute governs the amount that can be levied for TGT



LOCAL TGT OPT-OUT

- Since Kansas' TGT was non-uniform from the outset, communities may opt-out of the tax
- Local communities can enact their own ordinance to opt-out and collect an amount higher than called for in statute
- Once a community opts-out of the statute, they opt-out of the entire TGT statute
- All items regarding the TGT are governed by the local agreement



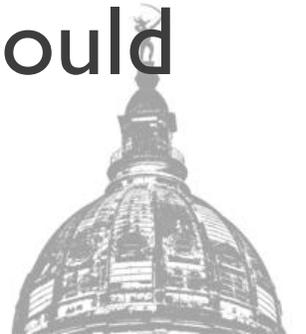
WHAT CAN YOU USE TGT FUNDS FOR

- Earmarked for “Promoting Tourism and Conventions”
- Determination of how funds are spent are largely dependent upon local community



1991 AG OPINION

- In 1991, AG Robert Stephan was asked to determine whether transient guest tax funds could be used to upgrade handicapped accessibility on public property in a downtown shopping area. In the absence of statutory guidance, General Stephan concluded that it was the governing body who could determine whether the expenditure promoted convention and tourism.



1992 LEGISLATIVE ACTION

- After the AG opinion and at the urging of TIAK, the use of TGT was further defined by the legislature
- K.S.A. 12-1692(e) and 12-1696(e), defined "convention and tourism promotion," as follows:
 - (1) Activities to attract visitors into the community through marketing efforts, including advertising, directed to at least one of the five basic convention and tourism market segments consisting of group tours, pleasure travelers, association meetings and conventions, trade shows and corporate meetings and travel; and
 - (2) Support of those activities and organizations which encourage increased lodging facility occupancy.



2006 AG OPINION

- In 2006, another Attorney General opinion went on to note that the action of the 1992 Legislature made it “apparent that the Legislature, by defining ‘convention and tourism promotion,’ was attempting to address perceived abuses of transient guest tax expenditures by restricting the use of such funds to those activities designed to encourage or promote hotel and motel business.”



CAN TGT BENEFIT STAR BOND DISTRICTS?

- Yes, some communities have used TGT dollars this way
- Local determination on if they are used and what percentage of the TGT is used in this way



TGT STATUTES

- KSA 12-1692 - KSA 12-16,1000
- https://res-4.cloudinary.com/simpleview/image/upload/v1/clients/kansas/TG_Statutes_as_of_2016_151f9b6a-b74a-4705-82fd-eef88df65415.pdf



ADDITIONAL TGT INFORMATION

- TGT Rates: <https://ksrevenue.org/pdf/tgratesfilers.pdf>
- TGT Collections for 2018: <https://ksrevenue.org/pdf/tgyf18.pdf>
- KDOR website: www.ksrevenue.org





QUESTIONS?

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