

Missouri Department of Revenue Taxation Division
301 West High Street, P.O. Box 1629
Jefferson City, MO 65105-1629

MISSOURI DEPARTMENT OF
REVENUE
Telephone: (573) 522-4989
E-mail: tcs@dor.mo.gov

XXXXXX Date

ABC Hotel
1234 Main Drive
City, State, Zip

Dear Business Owner:

This letter is to provide guidance on the taxability of the Arena Fee. Pursuant to the City of Kansas City's municipal code 40-111, all hotels, motels, and tourist courts are required to collect and remit a "\$1.50 fee per occupied room by a guest per day" ("Arena Fee") on the furnishing of rooms to the public. The Arena Fee is remitted to the City of Kansas City. Hotels often pass off this mandatory fee to its customers as a separate charge on hotel room invoices.

When the Arena Fee is passed on to the customer occupying the room, the Arena Fee is subject to sales tax even if separately stated on the invoice. The Arena Fee is part of the gross receipts of the hotels, motels, or tourist courts for its taxable service of providing rooms to the public under Section 144.020.1(6), RSMo. Section 144.020.1(6), imposes "A tax. . .on the amount of sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are regularly served to the public."

If you require additional information, you may contact the Department at tcs@dor.mo.gov or by calling us at (573) 522-4989. You can also visit the City of Kansas City's website at <https://www.kcmo.gov/city-hall/departments/finance/tax-guide-for-hotels>.

We are seeking to help you maintain and grow your business while complying with state tax laws. We look forward to working with you and thank you for your time.

Sincerely,

Cecille Swan

Cecille Swan

Administrator, Field Compliance Bureau, Taxation Division