

NJ Hotel/Motel Occupancy Fee How it Works...

- Hotel and Motel Occupancy Fee of 7% for occupancies on and after August 1, 2003 and 5% for occupancies on and after July 1, 2004. (3% of 5%--60% of total fees) to State of NJ; 2% of 5% (40% of total fees) to arts, history and tourism.
- Of fees collected in FY04:
 - \$16 million – NJ State Council on the Arts
 - \$2.7 million – NJ Historical Commission
 - \$9 million – NJ Commerce & Economic Growth Commission
 - \$500,000 – NJ Cultural Trust
- Of fees collected in FY05 and thereafter (when revenue collections exceed \$100 million), 40% of the total goes to arts, history and tourism as follows:
 - 22.68% -- NJ State Council on the Arts (amount shall not be less than \$22,680,000)
 - 3.84% -- NJ Historical Commission (amount shall not be less than \$3,840,000)
 - 12.76% -- NJ Commerce and Economic Growth Commission (amount shall not be less than \$12,760,000)
 - .72% -- NJ Cultural Trust (amount shall not be less than \$720,000)
- **“The annual appropriations act for each State Fiscal Year, commencing with FY05, shall appropriate and distribute during that fiscal year amounts not less than the amount otherwise specified for State Fiscal Year 2004.”**
- A “poison pill” provision, put forward by Senator Leonard Lance, provides that if the appropriations to art, history and tourism are not met, or if an amendment or supplement to an annual appropriations act should violate the provisions which call for distribution to arts, history and tourism, then the Director of the Division of Taxation shall curtail collection of the Hotel/Motel Occupancy Fee.
- Governor Christie held his campaign promise by appropriating minimum levels allowed by law for arts, history and tourism, (see “Of fees collected in FY04” above) assuring that the State of NJ continues to collect revenue through the Hotel/Motel Occupancy Fee. Appropriations have not increased over the past 8 years. Revenue projections for FY18 are \$106 million.

