



Hotel Room Occupancy Tax

I rent only one room in my house to guests. Do I have to collect the Hotel Tax?

No. The rental of only one room in your home to guests is not considered the operation of a hotel.

I own one apartment that I rent to guests as a Bed & Breakfast. Do I have to collect the Hotel Tax?

Yes. The exception for rentals of a single room in your home (referred to in Question 1) does not apply to rentals of apartments or rooms in properties that are outside the owner's home. By definition, if the apartment or rooms is not in the owner's home, the owner has to collect Hotel Tax. However, Finance has recently adopted rules under which rentals for up to 14 days or for fewer than three occasions during the year (for any number of total days) would not be considered the operation of a hotel subject to the Hotel Tax.

I own a four-family house. I rent out three apartments to tenants under long-term leases. Do I have to collect the Hotel Tax?

The Hotel Tax does not apply if you rent to a permanent resident (i.e., a continuous rental for 180 days or more). Therefore, if your "long-term leases" are for 180 consecutive days or more, you do not have to collect Hotel Tax.

What are the different exemptions that might exempt me from having to collect the Hotel Tax?

You do not have to collect the Hotel Tax under the following circumstances:

You rent only one room in your own home to guests, or

You rent room(s) or an apartment to the same occupant for a period of at least 180 consecutive days.

Once the proposed rules are finalized, you would not have to collect the Hotel Tax if, during a year, you rent an apartment or room(s) for up to 14 days or for fewer than three occasions (regardless of the total number of days).

I own an apartment that I rent for short stays of one week or more. It is my understanding that I don't have to collect the sales tax on these rentals. Do I have to collect the Hotel Tax?

You must collect the Hotel Tax for all rentals of this apartment, since the stays are for fewer than 180 days.

Some people who do not collect sales tax on these rentals are confused about the Hotel Tax for the following reason: Before December 1, 2003, many rentals of "bungalows" for a week or more were not subject to the sales taxes or to the Hotel Tax. ("Bungalows" are furnished living units, designed for single-family occupancy.) Effective December 1, 2003, that exemption was repealed, but only for the Hotel Tax.