



ANSWERS TO FREQUENTLY ASKED QUESTIONS

Exemption Forms

Exemptions from TOT are granted only when the proper exemption forms have been properly completed at the time the rent is collected and are submitted with the Return of Transient Occupancy Tax Form. Please refer to each exemption form for specific requirements.

“No Show” Charges

A “no show” charge may be imposed when a person making a reservation fails to register by the appointed time. If the basis of a “no show” charge is a day’s rent, the charge is taxable and must be included in the gross rental receipts on the TOT Return Form. If the charge is merely a penal amount, the charge is not taxable.

Ancillary Services

Non-mandatory charges for ancillary services are not subject to the TOT, even when reflected on the guest folio. The TOT is levied only on the consideration paid for the privilege of occupying living accommodations. However, a mandatory charge for ancillary services would be taxable, as could be a non-mandatory charge for a service impinging on the normal and reasonable enjoyment of the accommodations. Examples of such are as follows: a mandatory charge for parking regardless of whether the guest used the parking facilities and a non-mandatory charge for a key to access the accommodations, or for the use of water or electricity.

Denominated Food Costs

Denominated food costs subject to sales tax are excluded from TOT by the ‘Bradley-Burns Uniform Sales Tax Act.’ (Please see Exhibit A-2)

Rent Paid By Insurance Companies

Rent paid directly by an insurance company operating in the state of California, as defined by Section 28(f) of Article XIII of the California Constitution (see Exhibit A) is not subject to TOT.