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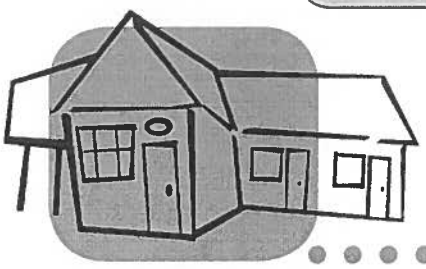
This publication is provided for general guidance only. It does not contain all sales or use tax laws or rules.

Sales Tax Information for Lodging Providers



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If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at 801-297-3811, or TDD 801-297-2020. Please allow three working days for a response.

Introduction

This publication provides sales tax information for lodging providers. See publication 25 for general sales and use tax information.

Tax Commission publications are reference tools. They are not all-inclusive and should not be used as legal references.

Tax laws may change due to legislative action. Changes to law will supersede information in this publication.

Transient Room Tax

Amounts paid for temporary lodging are subject to both sales tax and transient room tax. Report sales tax on TC-62M or TC-62S, and report transient room tax on TC-62T.

Temporary lodging is the use of accommodations in a hotel, motel, inn, tourist home, trailer court or campground (or similar accommodation) for less than 30 consecutive days.

Rooms and suites not used for lodging, such as convention halls or meeting rooms, are not subject to sales tax or transient room tax.

Lodging stays of 30 consecutive days or longer are exempt from sales tax and transient room tax.

Who Imposes the Transient Room Tax

Transient room tax is imposed by county and local governments. The transient room tax in a location may be a combination of the four following rates:

1. Counties may impose a county-wide tax on temporary lodging of up to 4.25 percent.
2. Cities and towns may impose tax on temporary lodging of up to 1 percent.
3. Cities and towns that meet certain requirements may impose an additional transient room tax of up to ½ percent on temporary lodging.
4. Salt Lake County imposes an extra tourism tax on temporary lodging of ½ percent.

Find current tax rates online at **tax.utah.gov/sales/rates**.

Operations of Lodging Providers

Taxable Sales and Services

Purchases by lodging providers of furnishings, linens, soap, tissues, shampoos and similar items for guests are subject to sales and use tax. Lodging providers are considered the final consumers of these items.

Sales or rentals of tangible personal property, such as gift shop sales, are subject to sales tax.

The following table shows common fees lodging providers charge guests. Although most of the fees are subject to sales and use tax, not all are subject to transient room taxes.

Fees	Sales & Use Tax	Transient Room Tax
Additional room service	Taxable	Taxable
Admission to exercise facilities	Taxable	Not Taxable
Attrition	Taxable (see A. below)	Taxable (see A. below)
Cancellation (less than room amount)	Not Taxable (see A. below)	Not Taxable (see A. below)
Childcare charges	Not Taxable	Not Taxable
Complimentary meals or beverages	Not Taxable (see B. below)	Not Taxable
Concierge fee	Not Taxable	Not Taxable
Copy charges	Taxable	Not Taxable
Damage fees	Taxable	Taxable
Dry Cleaning	Taxable	Not Taxable
Energy surcharges	Taxable	Taxable
Equipment rental	Taxable	Not Taxable
Fax receiving	Taxable	Not Taxable
Fax sending	Not Taxable	Not Taxable
Front desk labor fee	Taxable	Taxable
Groceries and related service fees (mini bar item charges)	Taxable	Not Taxable
Ground transportation/transfers	Not Taxable	Not Taxable
Guest and owner miscellaneous request items	Taxable	Taxable
Hot tub fees	Taxable	Taxable
Interstate telephone charges	Not Taxable	Not Taxable
Late payment fee	Not Taxable	Not Taxable
Laundry/dry cleaning service	Taxable	Not Taxable
Lockout/lost key fee	Not Taxable	Not Taxable
Meeting rooms	Not Taxable	Not Taxable
No show (full room amount)	Taxable (see A. below)	Taxable (see A. below)
Parking fees	Not Taxable	Not Taxable
Pet fees	Taxable	Taxable
Prepaid calling cards	Taxable	Not Taxable
Reservation change fee	Taxable	Taxable
Reservation fee	Taxable	Taxable
Resort fee	Taxable	Taxable
Rollaway bed and cribs	Taxable	Taxable
Room charges/rentals 30 consecutive days and longer	Not Taxable	Not Taxable
Room charges/rentals less than 30 consecutive days	Taxable	Taxable
Safe and safety deposit box rentals	See C. below	Not Taxable
Shipping charges (FedEx, etc.)	Not Taxable	Not Taxable
Sundry items sold	Taxable	Not Taxable

Fees	Sales & Use Tax	Transient Room Tax
Telephone charges markup	Taxable (see D. below)	Not Taxable
Tickets to ski or gain admission to events	Taxable (see E. below)	Not Taxable
Tips for staff (mandatory)	Taxable	Taxable
Tips for staff (voluntary tips not listed on invoice)	Not Taxable	Not Taxable
Vending machine sales	Taxable	Not Taxable
Video/movie/pay-per-view charges	Taxable (see F. below)	Not Taxable

A. When guests do not occupy a room and are charged an amount less than the room rate, the charge is not subject to sales or transient room taxes. When guests are charged the full room rate (whether they occupy it or not), the charge is subject to sales and transient room taxes. A deposit not directly related to the room charge is not subject to sales or transient room taxes.

B. Lodging providers who offer complimentary meals or beverages are the final consumer of these items and must pay the sales tax or report the use tax on the purchase of the food.

C. Safe and safety deposit box charges are subject to sales tax if the boxes are tangible personal property. The rental is not subject to sales tax if the boxes are real property. See Pub 42 for definitions.

D. Telephone service providers collect the tax for local and instate long distance calls. However, any markup of these calls by lodging providers is subject to sales tax. Long distance interstate calls are not subject to sales tax.

E. Sales tax is usually collected by the third-party provider (resort, theater, etc.).

F. Charges for in-room movies or pay-for-view videos or games are subject to sales tax regardless of how the movie or video game is delivered to the guest's room.

Exempt Sales and Services

Charges to Owner from Manager

Charges to property owners by property managers are not subject to sales tax or transient room tax. These charges include: interstate telephone charges, housekeeping, shipping charges (FedEx, etc.), administrative labor, DSL installation, late payment fees, hot tub fees, smoking and pet fees (cost of damages pass through), commission fees, credit card fees and check-in fees for non-paying guests.

Government

Federal Government Agencies

Sales to federal governmental agencies are exempt from sales tax and transient room tax if the buyer provides the seller proof of exemption that includes one of the following:

- an exemption certificate (form TC-721G)
- a purchase order
- an invoice or check issued by a government agency

U.S. Dept. of the Interior

U.S. Department of the Interior (DOI) bureaus are treated differently than other federal agencies. DOI bureaus that centrally bill travel expenses include: Bureau of Indian Affairs, Bureau of Reclamation, U.S. Geological Survey, Minerals Management Service, Office of Special Trust, Office of Surface Mining, Office of the Secretary and National Business Center.

The travel expenses of DOI bureau employees are exempt from sales tax if the employee provides the seller with a valid exemption certificate (form TC-721G) or uses a DOI Bank of America MasterCard with beginning numbers of 5568 16. The DOI credit card is embossed with the employee's name, the words *U.S. Department of the Interior,* and the DOI tax-exempt ID number. If the employee uses a DOI credit card, the lodging provider must keep a copy of the credit card.

Foreign Diplomats

Lodging related sales to foreign diplomats are exempt from sales tax and transient room tax, at the point of sale, if the buyer has a diplomatic tax exemption card issued by the United States, and provides the seller with a valid exemption certificate (form TC-721G).

Utah Government Agencies

Lodging-related sales to Utah government agencies are taxable at the point of sale. Qualifying agencies must request a refund of the tax from the Tax Commission. Employee purchases that are reimbursed by the government agency do not qualify for refund. Refund claims may not be made more frequently than monthly.

Religious and Charitable Institutions

Qualifying religious and charitable institutions must have an exemption number issued by the Tax Commission. Tax is paid at the time of purchase on all amounts under $1,000, unless the institution has an exemption certificate and written contract on file with the lodging provider. If the sale is $1,000 or more, the institution may use an exemption certificate to pay for lodging without paying tax. Otherwise, all sales are taxable and the institution must request a refund of the tax from the Tax Commission.

Monthly Rentals

Charges for stays of 30 consecutive days or longer are exempt from sales and use tax and all sales-related taxes.

Trades or Bartering

A trade involving lodging does not create an exempt trade because lodging is not tangible personal property. Complimentary rooms are not taxable because there is no charge.

Admissions Charges

Admissions and user fees for any amusement, entertainment, recreation, exhibition, cultural or athletic activity are subject to Utah sales tax.

Taxable activities include, but are not limited to, admissions and user fees for: theaters, movies, operas, museums, planetariums, shows, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing and wrestling matches, closed-circuit television broadcasts, billiard or pool parlors, bowling lanes, golf and miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, and horseback rides.

Exceptions

Admissions and user fees include season passes, but do not include annual membership dues paid to a private organization whose members, directly or indirectly, establish the level of the membership dues.

Fees beyond annual membership dues, such as a country club's fees for use of its golf course or pool, are considered admission and user fees and are taxable. See Tax Commission Rule R865-19S-33.

Amounts paid for the following activities are not admissions or user fees:

- Public or private lessons
- Sign-ups for participation in amateur athletics if the activity is sponsored by state government or a nonprofit organization whose primary purpose is the sponsoring and promoting of amateur athletics
- Sign-ups for participation in school activities. This does not include attendance as a spectator at school activities.

Fees for the above activities are subject to tax unless they are listed separately on an invoice. For example, if fees for a golf lesson are included with fees for use of the golf course, the entire amount is subject to sales tax.

Resort Packages

If a third party reserves rooms for its clients, sales tax and transient room tax are due on the rental. If rooms are discounted for the third party but not for the clients (as is often done for large groups), tax is calculated on the discounted price.

If a third party (such as a hotel) arranges for ski lift passes, the ski resort must pay sales tax on the sales of the lift passes. The third party is considered the ski resort's agent. Transient room tax does not apply to lift passes.

Other situations in which a third party arranges for guests to obtain taxable goods, services or admissions are treated the same way. The third party is considered the final consumer, not the third party's clients.

Tours

The following guidelines apply to off-road tours, outfitters and providers of similar activites:

- If the tour begins in Utah, sales tax is due on the entire amount of the transaction.
- If the tour begins outside Utah, the transaction is not subject to sales tax.

Sales tax publications provide general guidance only. They do not contain all sales or use tax laws or rules. If you need additional information, call 801-297-7705 or 1-800-662-4335, ext. 7705 (outside the Salt Lake area), or email **taxmaster@utah.gov**.