



## HOTEL/MOTEL TAX FREQUENTLY ASKED QUESTIONS

### WHO PAYS THE TAX?

Hotel/motel owners are to include the tax on guest bills, therefore, in most instances the tax will be paid by the customer. However, if the hotel/motel owner does not collect the tax from the customer the owner is responsible for payment of the tax. "Hotel" is defined as a place where 5 or more sleeping accommodations are offered to guests even if the rooms are in separate structures. If a business has less than five rooms, the county hotel/motel tax is not applicable.

### WHAT INFORMATION AM I REQUIRED TO REPORT?

1. The period for which you are reporting
2. Identifying information about your business name and address
3. Your gross rental revenue
4. The amount of exemptions you are claiming (must be documented on an exemption certificate)
5. The tax due at 3.0%
6. The amount of tax you collected
7. Information regarding your occupancy: Number of rooms available and the percentage of occupancy
8. Your signature and printed name

### WHAT IS THE TAX RATE?

3.0%

### ARE THERE ANY EXCEPTIONS?

Yes, there are three and they must be documented on an Exemption Certificate.

1. Rooms used by federal government employees are exempt from this lodging tax **IF** the room is paid by direct billing to a department or agency of the federal government.
2. If a room is occupied for 30 or more consecutive days by the same guest(s) (includes guests who may have moved rooms within the same hotel-motel) an exemption is given.
3. Rooms used only for meetings and not for occupancy are not included in this tax.

### ARE ORGANIZATIONS EXEMPT IF THEY PRESENT A TAX-EXEMPT CERTIFICATE?

No. Exemptions from, for example, sales tax, non-profit, charity or 501(c)(3), do not qualify for a lodging tax exemption.

### HOW DO I LET THE COUNTY KNOW A ROOM RENTAL IS EXEMPT FROM THE TAX?

For each qualified stay the owner must complete, sign, and retain (on file) all Exemption Certificates. This short form is available on the website, or a spreadsheet is acceptable, if the spreadsheet contains the same information as the certificate. A copy of the Exemption Certificate for each qualifying stay must be retained by the hotel/motel and presented if requested or audited.



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### WHEN IS THE TAX DUE?

The tax is due in full no later than the last day of the month following the stay. For example, the tax is due on or before March 31 for all stays in February.

### HOW DO I SUBMIT A LODGING TAX RETURN AND PAY THE TAX?

A Hotel-Motel Tax Return must be submitted electronically via the web page. Please contact the Office of Management & Budget to receive an Account # to register your hotel/motel. Once registered, login monthly to submit your Lodging Tax Return and select how you would like to pay your lodging taxes.

There are three accepted methods, as follows:

- eCheck/ACH - ACH requires a bank routing number and bank account number.
- Credit Card – Major credit cards are accepted. Please note, a nominal service fee is charged for this method.
- Check – Checks are made payable to the County Treasurer and mailed to Montgomery County Board of County Commissioners, Attn: Office of Management & Budget, 451 W. Third Street, Dayton, OH 45422.

### WHAT HAPPENS IF I AM LATE?

Failing to report and/or pay taxes on time could result in interest and penalties being charged.

### WILL MY RETURNS BE CHECKED?

Yes, the county will review records to determine if the proper amount of tax has been calculated and remitted. Your records are to be open to inspection by the county during regular business hours.

### WHAT RECORDS ARE REQUIRED?

The regulations state that each vendor shall maintain and keep complete and accurate records of rents, together with a record of the tax collected thereon, which shall include:

- Primary records such as all guest or rent registers; rent invoices, statements, or bills, rent payments and/or refunds; room rate sheets or cards of prices per day of each room, income tax returns and Ohio sales tax returns; lodging tax returns along with exemption certificates; cash register tapes and all other pertinent documents.
- Secondary records such as bank deposit receipts and day books, journals, or any other records, plus the detailed records from which the data was accumulated.
- Guest or rent invoices; statements or bills and cash register tapes for taxable rents must have the total taxable rent and the tax charged and collected separately stated. These amounts are to be accumulated and recorded in a secondary record.



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- Rent invoices must also clearly show the length of stay in terms of consecutive days, for each guest.
- All records are to be kept for at least four years.

### I JUST BOUGHT THIS HOTEL/MOTEL, AM I RESPONSIBLE FOR PAST TAXES?

The vendor selling the business should file a return within 15 days after selling or quitting the business. If payment is not sent with that filing, the new owner should withhold a sufficient amount of purchase money to cover the amount due, and then submit payment by the date due. If the purchaser does not withhold funds from the purchase money for past tax obligations, he/she will be personally responsible for the payment of taxes, interest, and penalties occurred and unpaid during the operation of the business by the former owner.