

MARIN COUNTY TRANSIENT OCCUPANCY TAX (TOT) FAQ

FREQUENTLY ASKED QUESTIONS

Who is Considered a "Transient" Guest?

Any person who rents lodging for a period of 30 consecutive calendar days or less is considered transient and is subject to Transient Occupancy Tax.

How is the Transient Occupancy Tax Calculated?

All taxable rent charged to a guest for lodging purposes in the unincorporated areas of Marin is taxed at the current Transient Occupancy Tax rate of ten percent (10%).

What about Retreats and Rental Packages?

If non-rent items, such as meals, golf, tennis, etc., have been included in a lodging package or as complimentary items, their cost should not be included in rent, but should be itemized separately on the guest's receipt for proper calculation of the Transient Occupancy Tax.

Subject to Transient Occupancy Tax

- Basic room charge.
- Equipment (roll-away beds, cribs, television sets, etc.).
- In-room services (i.e. movies, cable, wifi; not subject to California Sales Tax).
- Forfeited deposits and/or cancellation charges.

Not Subject to Transient Occupancy Tax

- Items subject to California Sales Tax (i.e. taxable meals, etc. which have been listed separately on the guest's receipt).
- Non-rent items (i.e. phone charges, valet service, parking fees, golf, tennis, etc., which have been listed separately on the guest's receipt).

What are the Duties of the Transient Occupancy Tax Operator?

As the operator of a lodging establishment you have these responsibilities:

- 1) Register the hotel with the County's Finance Department no later than 30 days after the start of business. **Complete the registration form, along with County Business License application.** www.marincounty.org/df/tot
- 2) Collect the Tax from each guest at the time the rent is paid. A receipt, showing payment of the Transient Occupancy Tax must be provided to each paying guest. An operator may not advertise or suggest that the tax will not be added to the rent, will be absorbed by the operator, or will be refunded (except as provided in the Code).
- 3) Preserve all hotel tax records which are necessary in the tax collector's judgment to determine the amount of the tax charged for a minimum of three years.

How Does an Operator Obtain a Transient Occupancy Tax Certificate?

Complete an application form and submit it to the Marin County Tax Collector. The form can be obtained by calling the **Transient Occupancy Tax Hotline at (415) 473-6123** and can also be accessed from the County Website: <http://www.marincounty.org/df/tot>

When Should an Operator Collect Transient Occupancy Tax?

The hotel operator shall collect the tax from the guest at the time the rent is collected. If rent is paid in installments, a proportionate share of the taxes should also be collected.

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Does the Owner Need to File a Return If they Use a Property Manager?

If Transient Occupancy Tax administration for your property is maintained by a property management company, and that company collects and reports ALL of your rental income and Transient Occupancy Tax, you do not need to file a return. You are responsible for their compliance with Transient Occupancy Tax ordinance on your behalf. If you collect any rents outside of your agreement with the property management company, you would be required to file a return for the portion of rental income that you collected.

How Should an Operator Account for Transient Occupancy Tax?

All taxes collected by the hotel operator should be held in a separate trust account. This account is used to separately identify money which belongs to the County but which has been temporarily entrusted with the operator until payment is forwarded to the tax collector.

When are the Due Dates for Filing a Return and Paying the Tax?

All registered operators in the County will receive monthly Transient Occupancy Tax returns by mail. Forms are also available at www.marincounty.org/df/tot. The Transient Occupancy Tax return allows operators to declare total rents charged and received, and taxes collected from guests. The operator must pay the full amount of Transient Occupancy Tax recorded for the month, whether or not it has been collected from the guest. Payment is due on or before the thirtieth day after the close of each month. (If the 30th day of the month falls on a Saturday, Sunday or holiday, the next business day becomes the due date. Postmarks are acceptable, but not postage meters.)

Do I still file a Transient Occupancy Tax Return if there were no rents that month?

Yes. Returns must be filed monthly, even if no tax is due.

What if an Operator Files Transient Occupancy Tax Late?

If Transient Occupancy Tax returns and taxes are not remitted to the County Tax Collector by the due date, penalties and interest apply on the first day the tax becomes delinquent. The penalty is equal to ten percent of the tax due. If payment is not remitted by 30 days after the delinquent date, an additional 10 percent penalty is charged and 0.5% interest per month is charged. Transient Occupancy Tax compliance is required under the Marin County Transient Occupancy Tax Ordinance.

What if the Property is Sold or the Lodging Business Closes?

If the property is sold or rental operations cease for any reason, a final tax return must be filed and all Transient Occupancy Tax is due immediately. State law requires that all Transient Occupancy Taxes be paid and a Tax Clearance Certificate issued prior to the sale of real property. The buyer assumes responsibility for any unpaid Transient Occupancy Tax if a Tax Clearance is not obtained upon sale.

**TOT HOTLINE
(415) 473-6123**

www.marincounty.org/df/tot