

County of Marin

Department of Finance

Transient Occupancy Tax

General Guidelines

Collection Procedures

(To be used in conjunction with Marin County Ordinance 3.05)

Initial Process:

Once an establishment responsible for collecting Transient Occupancy Tax (TOT) has been identified as being within the jurisdiction known as the unincorporated areas of Marin County, an information packet is immediately mailed from the office of the Tax Collector containing the following:

- Marin County Transient Occupancy Tax Ordinance
- California Revenue and Taxation Code 7280-7283.51
- Transient Occupancy Tax registration application
- Business License application
- Transient Occupancy Tax Return
- General Guidelines, Policies and Procedures and FAQ's (Frequently Asked Questions).

Transient Occupancy Tax

1. Upon receipt of a Transient Occupancy Tax packet, the operator must complete and submit a registration application to the Marin County Tax Collector within 30 calendar days. A courtesy reminder will be mailed out if the application is not received within 30 days. Upon receipt and processing, a Transient Occupancy Tax certificate will be provided within 14 calendar days which should be posted in a conspicuous place on the premises.
2. It is the owner's responsibility to notify the Marin County Tax Collector's office that they are operating a lodging facility within the unincorporated area of Marin County. The application form can be faxed to (415) 473-4011, emailed to TOT@marincounty.org, or mailed to the Marin County Tax Collector, PO Box 4220, San Rafael CA 94913.
3. Once the Transient Occupancy Tax registration process has been completed, a business license can be issued.

Business License

1. The Marin County Business License Tax Ordinance 3052 requires any person or business that operates or engages in any business activity in the unincorporated area of the County to have a Business License. Business operators who provide short-term (30 days or less) accommodations including vacation rentals, cabins, bed and breakfast, hotels, motels, and retreats must comply with the Business License Tax Ordinance.
2. Operators without a County of Marin Business License must complete and return the Business License application with a payment of \$19 per unit. Completed applications can be delivered to the Marin County Central Collections office at 3501 Civic Center Drive -

Room 217; mailed to P.O. Box 4220, San Rafael, CA 94913-4220; faxed to (415) 473-4192; or emailed TOT@marincounty.org.

3. The fee for a Marin County Business License is \$19.00 per license per unit. A separate application and fee is required for persons engaged in more than one business.
4. After an initial Business License is issued, annual renewal notices will be mailed during the month of June. The Business License renewal fee will be based on actual gross receipts for the calendar year preceding the license period of July 1st to June 30th.
5. Specific information provided to obtain a business license is confidential. However, the general information as to who is licensed is not prohibited from disclosure.
6. It is the responsibility of the business owner to obtain a Business License before conducting business in the unincorporated areas of the County. Failure to receive a business license application or apply for a business license renewal does not excuse late filing or relieve the business operator of their responsibilities under the Business License Ordinance.
7. Businesses providing short term lodging are also required to obtain a Transient Occupancy Tax Registration Certificate and comply with the Transient Occupancy Tax Ordinance. See below for additional instructions.

Transient Occupancy Tax Policies & Procedures

Collection of Tax

1. Visitors staying at lodging facilities in the unincorporated areas of Marin County for 30 days or less are required to pay Transient Occupancy Tax equal to 10% of the rent charged by the Transient Occupancy Tax operator. The operator must collect Transient Occupancy Tax at the time the rent is paid.
2. The transient occupancy tax and a Transient Occupancy Tax return must be submitted to the Tax Collector monthly. The Transient Occupancy Tax return must detail: gross rents, exclusions, net taxable rents and the tax due.
3. All Transient Occupancy Tax collected by operators shall be held by the Operator in a separate trust account pursuant to the Marin County Code (MCC) §3.05.070 until payment is made to the Tax Collector.
4. Transient Occupancy Tax must be paid and reported to the Tax Collector within 30 days after each calendar month end.
5. A Transient Occupancy Tax return form must be filed monthly, even if no tax is due.

Reporting

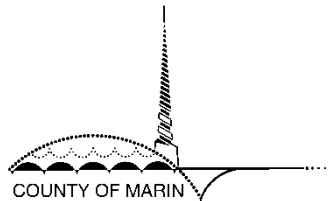
1. It is the responsibility of the Transient Occupancy Tax operator to submit Transient Occupancy Tax returns in a timely manner to avoid penalties. Transient Occupancy Tax return forms are mailed monthly and are also available on the County website at: <http://www.marincounty.org/df/tot>.
2. It is the operator's responsibility to contact the Tax Collector in advance of the due date if they need to obtain a Transient Occupancy Tax return form. Tax Collector office hours are M-F 9:00-4:30, except holidays. **The TOT Hotline is (415)473-6123.**
3. Payments postmarked by the final due date are considered timely. Penalties are strictly enforced on late filings pursuant to MCC §3.05.080.

Record Keeping

1. **The Transient Occupancy Tax Ordinance requires the lodging operator to retain records for a period of three years.**
2. Lodging records must provide a sufficient audit trail from booking/registration to monthly income figures reported to the County, and can include registration records, revenue/deposit summaries, general ledger and similar records.
3. Non-taxable items need to be detailed and recorded (see FAQs for a list of non-taxable items).

Business Closure

1. **Returns and payments are due immediately to the County upon cessation of business for any reason (sale, bankruptcy, renovation, etc.).**
2. If the lodging business or lodging facility is sold, all Transient Occupancy Tax must be reported and remitted prior to the sale and a Tax Clearance Certificate obtained from the Marin County Tax Collector pursuant California Revenue and Taxation Code (RTC) §7283.5(a).
3. If Transient Occupancy Tax is not reported and remitted prior to sale, the buyer assumes responsibility for all unpaid Transient Occupancy Tax under California RTC §7283.5(e).
4. When there is a change in ownership, a new application for Transient Occupancy Tax and a Business License must be submitted by the new owner within 30 days of commencing business.



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

www.marincounty.org/tot

Thank you!

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.).
- Cleaning Services/Fees
- 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).

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/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/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.

MARIN COUNTY TRANSIENT OCCUPANCY TAX (TOT) FAQ

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. 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 thirtieth 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/tot