

TRANSIENT OCCUPANCY TAX EXEMPTION INFORMATION

Chapter 3.28 of the City Code requires Transient Occupancy Tax be collected and paid to the City. Section 3.28.060 provides for an exemption from the tax. Exemptions shall not be granted unless the lodger files for exemption using the City of Sacramento Exemption Form at the time the rent is collected.

The following are exempt from the Transient Occupancy Tax if an exemption form is obtained at the time rent is collected:

1. Lodging paid by a government agency including a federal credit union that:
 - a. Makes direct payment to the hotel or motel for room rentals.
 - b. Makes payment by check or government-sponsored corporate charge card.
 - c. Attests the room rental is only for charges incurred in the performance of official duties as an employee of the governmental agency.

2. Lodging contracted by non-governmental organizations meeting the following conditions:
 - a. The rooms are contracted for a stated period of time which exceeds 30 consecutive days.
 - b. The contract specifies the number of rooms to be rented.
 - c. The rooms are paid for, whether occupied or not.
 - d. The contract is for a period of not less than ninety (90) days.

3. Individuals paying for hotel rooms or other lodging facilities with a homeless assistance voucher or a substantially equivalent voucher funded by a governmental agency.

Examples of contracts which are *not* exempt:

1. A contract for rooms less than seven days per week, e.g., Monday through Wednesday.
2. A contract stating that employees will be accommodated on an “as needed” basis.
3. A contract stating a specific number of rooms but requiring payment only for the number of rooms actually occupied.
4. Occupancy not paid by a government agency directly, whether or not for a government employee.

Documentation such as exemption forms and contracts should be held for a minimum of three years from the date of the stay to substantiate exemption claims.

Direct questions regarding Transient Occupancy Tax exemptions to the Revenue Services Unit Program Manager at 916-808-8500, or finance@cityofsacramento.org.