



CITY OF SACRAMENTO
CALIFORNIA

DEPARTMENT OF FINANCE
REVENUE DIVISION

CITY HALL
915 "I" STREET
SACRAMENTO, CA
95814-2604

TRANSIENT OCCUPANCY TAX EXEMPTION INFORMATION

Chapter 3.28 of the Sacramento City Code requires that Transient Occupancy Tax be collected and paid to the City. For this purpose, a "transient" is a person who exercises occupancy of a hotel room or other lodging facility for a period of thirty consecutive calendar days or less. The person is deemed to be a transient until the thirty days has expired (Section 3.28.020).

Section 3.28.060 provides for exemption from the tax. Exemptions shall not be granted unless the person requests exemption and files a claim for exemption at the time the rent is collected or the City provides for an explicit exemption.

The following are exempt from payment of the Transient Occupancy Tax:

1. All Federal, State, County, and City governments and their employees are exempt from paying the tax for the time of their stay that is solely for the purpose of attending to government business. This exemption applies without regard to the method of payment.
2. Individuals paying for hotel rooms or other lodging facilities with a homeless assistance voucher or a substantially equivalent voucher funded by a governmental agency are exempt from paying the tax.
3. Tax-exempt governmental instrumentalities and their employees may also be exempt from paying the tax provided they provide documentation of such tax-exempt status issued by the City of Sacramento.
4. Firms who have contracted for rooms, providing the contract meets 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.

Examples of 90-day contracts which are not exempt:

- e. A contract which only reserves rooms less than seven days per week, e.g. Monday through Wednesday.
- f. A contract stating that employees will be accommodated on an "as needed" basis.
- g. A contract stating a specific number of rooms, but requiring payment only for the number of rooms actually occupied when full occupancy does not occur.

Documentation such as exemption claim forms and contracts should be held for a minimum three (3) year period to substantiate exemption claims.

All questions regarding Transient Occupancy Tax exemptions should be directed to: 916-808-8500 or 808-1259.