

Who is and Who is not Exempt from Pillow Tax

This list intended to be a guide and will not fit every situation. When in doubt bill it out.

Who **IS** Exempt from Hotel Taxes*

Organization / Entity	Division, if applicable, or type of work	State Lodging Tax (6%)	Local Hotel Pillow Tax (5%)
Permanent Residents	Applies to 31+ day of continuous occupancy	YES	YES
Federal Diplomats	<u>Properly Accredited</u> to the US: Ambassadors, ministers, and consular officers of foreign governments*	YES	YES
Federal Government: Includes 6 Armed Forces & 5 Military Schools	Official business of the agency AND paid by Government (federal agency). <ul style="list-style-type: none"> • <i>If not BOTH, occupant pays taxes</i> • <i>Only FEDERAL military service academies are exempt</i> • <i>ROTC not government and is subject to paying taxes.</i> 	YES	YES
Commonwealth of PA & State Agencies	Official business of the agency AND paid by Government (state).	NO	YES
Local Government & Subdivisions:	County & Municipal <ul style="list-style-type: none"> • Doesn't matter who pays or the use, they MUST pay taxes 	NO	NO
PA State Universities (ONLY)	Includes both Commonwealth State Universities as well as state-related universities. <ul style="list-style-type: none"> • Official business AND paid by the university 	NO	YES
PA Colleges	<ul style="list-style-type: none"> • Private colleges & institutions 	NO	NO
<u>Miscellaneous</u> - Credit Unions: - Public & Municipal Authorities: - Co-ops:	<ul style="list-style-type: none"> • Federal Credit Union Act • Credit unions formed & incorporated under PA Credit Union Act • Public authorities created under the act of June 28, 1935 • Municipal Authorities Act of 1945 • Co-operative agriculture associations • Electric cooperative corporations <p><i>For details: See PA Code, Title 61, Chapter 38. https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/061/chapter38/s38.2.html&d=reduce</i></p>	YES	YES

Rule of Thumb: Official business, which is Billed TO AND Paid BY the organization

* Does not apply to consular officers or to officers of foreign governments other than those specified in this section, unless such exemption arises from treaties or reciprocal agreements existing between such foreign governments and the United States

Hotel Tax Legislation per PA Code, Title 61, Chapter 38. For details: See <https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/061/chapter38/s38.2.html&d=reduce>

Who is and Who is not Exempt from Pillow Tax

Who is **NOT** Exempt **

Organization / Entity	Division, if applicable, or type of work	State Lodging Tax (6%)	Local Hotel Pillow Tax (5%)
National Banks, Federal Savings & Loan Assoc.		✓	✓
Joint Stock Land Banks		✓	✓
State Credit Unions	Not exempt, UNLESS they are Commonwealth credit unions formed and incorporated under Credit Union Act (15 P. S. §§ 12301—12333).	✓	✓
National Park Commissioners	And other like “commissioner” entities	✓	✓
Federal	Contracted Entities or Licensees	✓	✓
Local Government	County & Municipalities	✓	✓
PA Government	Employees or representatives of the Commonwealth, its <ul style="list-style-type: none"> • Instrumentalities • Political subdivisions Regardless of the nature of the business or agency paying for the occupancy	✓	EXEMPT
Other	<ul style="list-style-type: none"> • Non-profit organizations • Religious organizations • Charities • Associations • educational institutions (unless they meet the exempt criteria in the above chart) 	✓	✓

** A person claiming exemption from the tax under this subsection is required to apply in writing therefor to the Bureau of Accounts Settlement, Department of Revenue, Harrisburg, Pennsylvania: Attention: Exemption Unit. If the request for exemption is approved, a numbered identification card will be issued to the applicant. This card shall be shown by the exempt occupant to the hotel operator whenever a claim for exemption is made.

Hotel Tax Legislation per PA Code, Title 61, Chapter 38. For details: See <https://www.pacodeandbulletin.gov/Display/pacode?file=/secure/pacode/data/061/chapter38/s38.2.html&d=reduce>