

## HOTEL TAX MATRIX

\*\*\*All highlighted items pertain to the 5% tax\*\*\*

**THIS MATRIX IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT BIND THE DEPARTMENT TO ANY ENTITY. STATUTORY OR REGULATORY CHANGES, JUDICIAL DECISIONS, OR DIFFERENT FACTS MAY MODIFY OR NEGATE THE TAX DETERMINATIONS IN THIS MATRIX.**

			Date: 08/01/2008
<b>HOTEL ROOM REVENUE</b>			
Revenue Description	Taxable Yes or No	Tax Type	Additional Comments
<b>Transient Rooms Revenue</b>	Y	HOT	Rent. 72 P.S. §7209(a)(3); HOT = Hotel Occupancy Tax
<b>Guaranteed No Show Revenue</b>	Y	HOT	Rent for right to use. 72 P.S. § 7209(a)(3)
<b>Complimentary Rooms Provided at No Charge To:</b>			
a. Guests.....	N		Complimentary = no rent, no HOT
b. Employees.....	N		Same as above
c. Travel Agents, Advertisers, etc.....	N		Same as above
<b>Early Departure Fees</b>	Y	HOT	Amt for which occupant is liable. 72 P.S. § 7209(a)(6)
<b>Late Departure Fees</b>	Y	HOT	Amt for which occupant is liable. 72 P.S. § 7209(a)(6)
<b>Cancellation Fees:</b>	Depends		
Liquidated damages charged when a scheduled event is cancelled. At no time does the guest occupy or have the right to occupy any rooms.			
<b>Attrition/Fees:</b>	Depends	HOT	No occupancy and no right to occupancy so no rent = no HOT
Liquidated damages charged because a group did not fulfill their total event commitment. (Example: An event books 200 rooms. Only 150 are rented and occupied. A penalty is charged for the 50 remaining rooms. At no time does a guest occupy or have the right to occupy the 50 remaining rooms.)			
<b>Minibar Revenue</b>	Depends	SUT	Liquor, wine, beer-NT; "soft drinks"-T; fruit juice at least 25% by volume-NT
<b>Packages (example: golf, honeymoon, ski)</b>	Y	HOT	Separately stated event fees = or > fees charged to public-NT
<b>Rooms for resale sold to:</b>			
a. Tour operators.....	Y	HOT	
b. Meeting planners.....	Y	HOT	
c. Others who resale rooms to their customers.....	Y	HOT	
<b>Pet Charges (Pet's Occupancy of Guest Room)</b>	Y	HOT	See 61 Pa. Code §38.3 for definition of "Rent" and "Occupancy."
<b>Pet Clean-up Fees (Cleaning of Room after Stay)</b>	Y	HOT	Same as above
<b>Resort Fees:</b>			
Per diem charge for a number of additional amenities provided by a resort, such as beach chairs, bottled water in the hotel room, access to the hotel fitness center, newspaper delivery, shuttle service, etc.	Y	HOT	See 61 Pa. Code §38.3 for definition of "Rent" and "Occupancy."
<b>Rollaway Bed Charges</b>	Y	HOT	Same as above
<b>Refrigerator Charges</b>	Y	HOT	Same as above
<b>Safe Charges</b>	Y	HOT	Same as above
<b>Complimentary Meal Provided With Room:</b>			
A complimentary meal is provided for each room occupant. The meal is included in the price of the guest room. The guest cannot opt out of the meal for a lower room rate.			
a. Hotel purchases food and prepares meals	N	SUT	
b. Hotel purchases prepared food & meals from leased restaurant and/or outside vendor.....	Y	SUT	Use Tax
<b>Complimentary Beverage Provided With Room:</b>			
Complimentary beverages are provided for each room occupant at a reception. The beverages are included in the price of the guest room. The guest cannot opt out of the reception for a lower room rate.			
a. Liquor, Beer, Wine			
1.) Hotel purchases & serves drinks .....	N		Hotel pays tax when purchased.
2.) Hotel leases complimentary beverage service from an unrelated third party.....	N		Hotel pays tax when purchased.
b. Nonalcoholic Beverages			
1.) Hotel purchases & serves drinks .....	N		Hotel pays tax when purchased. Use tax applies to purchase price paid by hotel if complimentary beverages are "soft drinks" as defined under 61 Pa. Code § 60.7.
2.) Hotel leases complimentary beverage service from an unrelated third party.....	N		Hotel pays tax when purchased. Use tax applies to purchase price paid by hotel if complimentary beverages are "soft drinks" as defined under 61 Pa. Code § 60.7.

HOTEL ROOM REVENUE EXEMPTIONS			
Description	Tax Exempt Yes or No	Tax Type	Documentation Required
<b>Non Transient:</b>			
<b>Can guests be considered non transient?</b>	Y	HOT	
If so, after how many consecutive days (time period)? .....			For 30 consecutive days or more. 72 P.S. § 7209(5); 61 Pa. Code § 38.3.
<b>Can Corporations, Partnerships, and LLC qualify as non transients?</b>	Y	HOT	
<b>Can Airline Crew Rooms qualify as non transient?</b>	Y	HOT	
<b>After guests have met non transient requirements,</b>			
a. Can taxes be refunded from first date of stay?.....	Depends		See "Permanent Resident" 61 Pa. Code § 38.3.
b. Is it required to collect taxes from day one if contract exists?	Depends		Same as above
<b>Is a written contract required for non transient status?</b>			
a. For exemption beginning at day one of nontransient stay?	Y		Need legally enforceable contract but not necessary written. See "Permanent Resident" 61 Pa. Code § 38.3.
b. For exemption after the nontransient period has been met?	N		Same as above
c. What minimum length of time must be covered by a contract?		30 consecutive days	
d. Please list and explain any other requirements that must be met for a guest to claim a nontransient exemption:	N/A		
<b>Federal, State, Local Government:</b>			
<b>Federal Government employees qualify for exemptions if:</b>			
a. Payment made directly by agency.....	Y		If solely for official business and paid for by agency. 61 Pa. Code § 38.2(c).
b. Payment made by guest who is reimbursed by agency.....	Y		Exempt if payment by SmartPay card and copy of government order provided.
<b>Your state's government employees qualify for exemptions if:</b>			
a. Payment made directly by agency.....	N		61 Pa. Code § 38.2(f); SUT 03-008 (reissued 02/15/08)
b. Payment made by guest who is reimbursed by agency.....	N		Same as above
<b>Other states' government employees qualify for exemptions if:</b>			
a. Payment made directly by agency.....	N		61 Pa. Code § 38.2(f).
b. Payment made by guest who is reimbursed by agency.....	N		Same as above
<b>Your state's Local Government employees qualify for exemptions if:</b>			
a. Payment made directly by agency.....	N		61 Pa. Code § 38.2(f). See 61 Pa. Code § 38.2(c) & (d) for specific exemptions.
b. Payment made by guest who is reimbursed by agency.....	N		Same as above
<b>Other states' Local Government employees qualify for exemptions if:</b>			
a. Payment made directly by agency.....	N		61 Pa. Code § 38.2(f).
b. Payment made by guest who is reimbursed by agency.....	N		Same as above
<b>Foreign Diplomats.....</b>			
	Case by case		See 61 Pa. Code § 38.2(b) and check U.S. State Department website: <a href="http://www.state.gov">www.state.gov</a>
a. Payment made by diplomat on diplomatic business (mission card) ...			
b. Payment made by diplomat for personal purchases (personal exemption card)			
<b>HOTEL ROOM REVENUE EXEMPTIONS</b>			
<b>Other:</b>			
<b>Non profit organizations - 501(c)(3) Organizations</b>			
a. Payment made directly by agency.....	N		61 Pa. Code § 38.2(f).
b. Payment made by guest who is reimbursed by agency.....	N		Same as above
<b>Religious, Charitable, Scientific Organizations</b>			
a. Payment made directly by agency.....	N		61 Pa. Code § 38.2(f).
b. Payment made by guest who is reimbursed by agency.....	N		Same as above
<b>Public Schools (Payment made directly by agency):</b>			
a. In-state.....	N		61 Pa. Code § 38.2(f).
b. Out-of-State.....	N		Same as above
<b>Public Schools (Payment made by guest who is reimbursed by agency):</b>			
a. In-state.....	N		61 Pa. Code § 38.2(f).
b. Out-of-State.....	N		Same as above
<b>Private Schools: (Payment made directly by agency)</b>			
a. In-state.....	N		61 Pa. Code § 38.2(f).
b. Out-of-State.....	N		Same as above
<b>Private Schools (Payment made by guest who is reimbursed by agency):</b>			
a. In-state.....	N		61 Pa. Code § 38.2(f).
b. Out-of-State.....	N		Same as above
<b>Private Universities and Colleges (Payment made directly by agency)</b>			
a. In-state.....	N		61 Pa. Code § 38.2(f).
b. Out-of-State.....	N		Same as above
<b>Private Universities and Colleges (Payment made by guest, reimbursed by agency)</b>			
a. In-state.....	N		61 Pa. Code § 38.2(f).
b. Out-of-State.....	N		Same as above