

CITY OF ROCKLIN TRANSIENT OCCUPANCY TAX (TOT) FACT SHEET

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 is taxed at the current Transient Occupancy Tax rate of eight percent (8%).

Subject to Transient Occupancy Tax

- Basic room charge.

Not Subject to Transient Occupancy Tax

- Employees of Federal Credit Unions while performing credit union business (This exception shall apply only to those credit unions organized and operating under the Federal Credit Union Act).
- Employees of Federal government and its instrumentalities, when on official business, such as Amtrak, American Red Cross, state and foreign government employees.

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 City of Rocklin's Tax Administrator no later than 30 days after the start of business. **Complete the registration form, along with the City's Business License application.** www.cityofrocklin.com/finance/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.
4. Verify exemption claims are accurate.

How Does an Operator Obtain a Transient Occupancy Tax Certificate?

Complete an application form and submit to the City of Rocklin, the Administration Services Department, Tax Administrator. The form can be accessed from the City of Rocklin Website:

http://www.rocklin.ca.us/sites/main/files/file-attachments/transient_occupancy_reg_cert_app_v3_0.pdf

Mail or walk in your completed form to the City of Rocklin, 3970 Rocklin Road, Rocklin, CA 95677.

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.

When are the Due Dates for Filing a Return and Paying the Tax?

Transient Occupancy Tax Reporting forms are available on the City's website at <http://www.rocklin.ca.us/transient-occupancy-tax>.

The Transient Occupancy Tax report 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 quarter, whether or not it has been collected from the guest. Payment is due on or before the thirtieth day after the close of each quarter (April 30th, July 31st, October 31st, and January 31st). If the 30th day of the month falls on a Saturday, Sunday or holiday, the next business day becomes the due date.

Do I still file a Transient Occupancy Tax Return if there were no rents that quarter?

Yes. Returns must be filed quarterly, even if no tax is due.

What if an Operator Files Transient Occupancy Tax Reports Late?

If Transient Occupancy Tax Report and taxes are not remitted to the City's Administration Services Department, Tax Administrator by the due date, penalties 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 City of Rocklin Transient Occupancy Tax Ordinance 879.

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 7283.5 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.