

*****NOTICE*****

**THE COUNTY IS DEVELOPING A SHORT -TERM RENTAL ORDINANCE;
THESE FAQ'S WILL BE REVISED UPON ADOPTION OF THE ORDINANCE**

TRANSIENT OCCUPANCY TAX (TOT) FAQS

What is the Transient Occupancy Tax?

The Transient Occupancy Tax (TOT) is authorized under Title IV of the Los Angeles County Code (Code) Chapter 4.72 Transient Occupancy Tax. Under the Code, hotel/motel operators in the unincorporated areas of the County of Los Angeles are required to charge the TOT of twelve percent (12%) of the rent charged to "transient" guests. The TOT is also commonly known as a "bed tax." ([Sec. 4.72.040 Imposition of tax-Amount](#))

Which Los Angeles County department/agency is responsible for collecting the TOT?

The Los Angeles County Treasurer and Tax Collector (TTC) is responsible for collecting the TOT.

What is the definition of "Hotel"?

"Hotel" is defined to be any structure in the unincorporated area of the County which is occupied, or intended for occupancy by a transient guest. This includes hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer, at a fixed location, or any similar type of structure. ([Sec. 4.72.020 D Definitions](#))

What is the definition of "Occupancy"?

"Occupancy" means taking possession of a room(s) for the purpose of dwelling, sleeping or lodging. ([Sec. 4.72.020 E Definitions](#))

Who is an "Operator"?

"Operator" is the person who is the proprietor of the hotel, whether in the capacity of owner, lessee, sub lessee, holder of the mortgage, or managing agent of owner. ([Sec. 4.72.020 F Definitions](#))

Who is a "Transient"?

"Transient" is any person who exercises occupancy or is entitled to occupy hotels or motels by reason of concession, permit, right of access, license, or other agreement for a period of 30 consecutive calendar days or less. ([4.72.020 L Definitions](#))

I understand the TOT is 12% of the "rent," but how do you define "rent"?

"Rent" is the charge, whether received or not, for the occupancy of space in a "hotel", valued in money, whether collected in money, goods, labor or other services of monetary value for the full amount due. ([Sec. 4.72.020 H Definitions](#))

Does an operator need to charge the TOT if he/she rents a room for less than a full day (e.g., hourly room rates)?

Yes. For the purposes of the TOT, any portion of a calendar day is considered a full day and is taxable. ([Sec. 4.72.020 L Definitions](#))

What if I own a mobile home trailer park or recreational vehicle park and rent it out? Am I required to charge the TOT?

Yes. A mobile home, recreational vehicle, or house trailer at a fixed location which you rent to a transient is subject to the TOT. ([Sec. 4.72.020 D Definitions](#))

Are there any exemptions from TOT?

Any transient who meets at least one of the following is not subject to the TOT, provided a [Transient Occupancy Tax Designated Exemption Application Form](#) is completed and filed with the operator ([Sec. 4.72.060 Exemptions-Designated](#)):

1. Any person as to whom, or any occupancy as to which, it is beyond the power of the County to impose the tax.
2. Any Federal or State of California officer or employee, when on official business.
3. Any officer or employee of a foreign government who is exempt by a provision of Federal law or international treaty.
4. Emergency shelter referrals by Los Angeles County, County-affiliated, or State agencies, including-- but not limited to, referrals from the Los Angeles County Department of Public Social Services, the Los Angeles County Department of Children and Family Services, the Los Angeles Homeless Services Authority, and the State Department of Corrections and Rehabilitation.
5. Any Red Cross, Amtrak, US Postal Service, Federal Credit Union or Insurance Company employee on official government business.

It is important to note that persons who are employees of non-profit agencies (i.e., 501C3 organizations, and religious institutions) are **not** exempt from the tax.

A transient who meets the above eligibility requirement is required to submit the completed [Transient Occupancy Tax Designated Exemption Application Form](#) to the operator. The *Transient Occupancy Tax Designated Exemption Application Form* is then kept on file by the operator.

What if I stay longer than thirty (30) days?

Any person who has a written agreement with the operator, entered into within the first thirty (30) days of the person's occupancy, which states the person will stay for more than thirty (30) consecutive calendar days is exempt from the TOT, for the first 30 days of the person's stay. Only in this instance is the first thirty (30) days of this person's stay not taxable. To be entitled to the exemption, anyone who meets the above eligibility requirement is required to submit the completed [Transient Occupancy Tax Over Thirty Day Stay Exemption Application Form](#) to the operator. The *Transient Occupancy Tax Over Thirty Day Stay Exemption Application Form* is then kept on file by the operator.

What are my responsibilities as an operator to document a TOT exemption?

The TTC makes available to all operators the required [Transient Occupancy Tax Designated Exemption Application Form](#) and [Transient Occupancy Tax Over Thirty Day Stay Exemption Application Form](#) through which eligible transients may claim an exemption from the TOT. The form should be completed

by the transient and filed with the operator before the time rent is collected from the transient. All completed forms kept by the operator shall be made available for inspection at TTC's request. ([Sec. 4.72.070-Claim requirements](#))

Operators do not need to submit the completed *Transient Occupancy Tax Designated, or Over Thirty Day Stay Exemption Application Forms* to the TTC. However, each operator should ensure that the exemptions each operator claims on the *Transient Occupancy Tax Monthly Computation Form* are supported by completed forms.

When should the operator collect TOT?

Each operator should collect the TOT at the same time the rent is due from each transient guest. The amount of TOT should be separately stated from the amount of the rent charged, and the transient should receive a receipt for payment from the operator. ([Sec. 4.72.080 Collection-Operator's duties](#)) **Am I required to separately state the tax amount on the registration card?**

Yes. For compliance and recordkeeping purposes, each operator shall list the amount of the tax separately from the amount of the rent on the registration card. ([Sec.4.72.080-Operator's duties](#))

What are some of the general recordkeeping and compliance requirements as it relates to inspections and audits?

Every operator liable for the collection and remittance of the TOT to the TTC is required to keep and preserve all records necessary to determine the amount of tax for which it is liable. The records have to be kept for up to three years. The TTC has the right to inspect the records maintained by the operator at all reasonable times. ([4.72.090 Recordkeeping requirements](#))

Is an operator required to register with the TTC?

Yes. Operators who rent to transients must submit a [Transient Occupancy Tax Registration Application](#) to the TTC within 30 days after commencing business. Upon registration, TTC will issue to the operator a "Transient Occupancy Registration Certificate". ([Sec. 4.72.100 Operator-registration required](#))

As well, under the [Los Angeles County Code, Title VII Business Licenses, Chapter 7.50 Housing](#), every person engaged in the business of maintaining or operating a hotel, motel, or boarding house needs to procure a business license and pay an annual business license fee. For information on obtaining the business license, please contact the TTC Business License Unit at (213) 974-2011, Monday - Friday 8 am to 5 pm PT.

When is payment of the TOT due to the TTC?

Payment is due on or before the last day of the month for the prior month's collection of TOT. The operator should submit to the TTC a completed [Transient Occupancy Tax Monthly Computation Form](#), with the associated payment. ([Sec. 4.72.130 Tax return required monthly](#))

Where do I mail my payment?

You should mail your payment, along with a completed *Transient Occupancy Tax Monthly Computation Form*, to:

Los Angeles County Treasurer and Tax Collector
P.O. Box 30909
Los Angeles, CA 90030-0909

Please make your check payable to the Los Angeles County Treasurer and Tax Collector.

May I send my payment by a courier for overnight delivery?

If you send your payment by a courier service that does not deliver to a United States Postal Service Post Office Box, you should send your payment, along with a completed *Transient Occupancy Tax Monthly Computation Form*, to:

Los Angeles County Treasurer and Tax Collector
Transient Occupancy Tax Unit
c/o Mailroom (Room 137B)
500 West Temple Street
Los Angeles, CA 90012-2713

Please make your check payable to the Los Angeles County Treasurer and Tax Collector.

May I make a payment by Automated Clearing House (ACH)?

Yes. The TTC allows remitters to pay by ACH. To participate, a remitter must complete an *Authorization Agreement for Automated Clearing House Credits*. If you are interested or need further information, please contact the TTC, Transient Occupancy Tax Unit, at (213) 893-7984, Monday - Friday 8 am to 4 pm PT, or submit an e-mail to tot@ttc.lacounty.gov.

What happens if there is a late payment, no payment or insufficient payment?

- Any operator who fails to remit the TOT within the time required shall pay a penalty of ten percent (10%) of the amount of the unpaid TOT in addition to the amount of the TOT. ([Sec. 4.72.160 Late payment-Penalty](#))
- If the payment remains delinquent thirty (30) days after the date on which the remittance first became delinquent, a second penalty of ten percent (10%) will be imposed to the amount of unpaid tax, in addition to the amount of the tax and the ten percent (10%) penalty first imposed. ([Sec. 4.72.170 Late payment-Continued delinquency penalty](#))
- In addition to the penalties imposed, interest at the rate of one and one-half percent (1.5%) per month or fraction thereof is imposed on the amount of the unpaid tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid. ([Sec. 4.72.190 Late payment interest imposed](#))

Can an operator request a waiver of the penalties and interest due to extenuating circumstances?

The Code does not allow the TTC to waive, cancel or reduce penalties and interest.

How can an operator request a refund of the TOT he/she previously paid to the TTC?

The operator can request a refund of TOT that has been overpaid, paid more than once, or erroneously or illegally collected or received. The operator shall file a [Transient Occupancy Tax Refund Claim Form](#) with the TTC within three years of the overpayment, double payment, or erroneous collection of the TOT. ([Sec. 4.72.310 Refunds-Claim filing requirements](#))

If the TTC approves the Transient Occupancy Tax Refund Claim Form, the operator should apply the refund as credit subsequent TOT remittances to the TTC. The operator will only receive a paid refund if it can be shown that the hotel/motel is no longer operating. ([Sec. 4.72.330 Refunds-Paid to operator when](#))
How can a transient request a refund of the TOT he/she previously paid to the TTC?

The transient may request a refund of the TOT that has been overpaid or paid the more than once to, or was erroneously, illegally collected or received by the operator. However, the transient needs to first request the refund from the operator. If the transient is unsuccessful in obtaining the refund from the operator, the transient should file a [Transient Occupancy Tax Refund Claim Form](#) with the TTC within three years of the overpayment, double payment, or erroneous collection of the TOT.

The TTC will approve the Transient Occupancy Tax Refund Claim Form if the transient can prove to the satisfaction of the TTC that the person has been unable to obtain a refund from the operator who collected the TOT. ([Sec. 4.72.340 Refunds-Paid to guest when](#))

I purchased a hotel/motel recently, or I am soon to purchase a hotel/motel. How do I know the former owner has no unpaid TOT liability to the TTC?

Effective January 1, 2005, Section 7283.5 of the California Revenue and Taxation Code was revised to permit the TTC to issue a Transient and Occupancy Tax Clearance Certificate to the new owner in connection with the purchase of a hotel/motel. If the new owner does not request the certificate, then the new owner inherits the previous owner's TOT debt (unreported, under-reported, or unpaid). If the new owner requests the Certificate, but the TTC does not participate in the Certificate Program, then the new owner is not liable for any TOT obligations incurred prior to the purchase or transfer of the property.

You may find this statute in its entirety at: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>

To whom may I speak to if I have additional questions?

If you have further questions or need additional assistance, do not hesitate to contact the Transient Occupancy Tax Unit at (213) 893-7984, Monday - Friday 8 am to 4 pm PT, or submit an e-mail to tot@ttc.lacounty.gov.