

<b>FROM</b>	NAME & TITLE	William A. Reiley, City Collector	CITY of <b>BALTIMORE</b> <b>MEMO</b> 
	AGENCY NAME & ADDRESS	Bureau of Treasury Management, Collection Division Room 1, Municipal Building	
	SUBJECT	Hotel Room Tax Rules and Regulations	

TO

SERVE THE PEOPLE

DATE: July 20, 1990

Mr. Bernard Murphy  
 Department of Legislative Reference  
 Room 626, City Hall

Pursuant to the authority granted to The Director of Finance, by Section 38(b) of Article 28 of the Baltimore City Code (1983 Replacement Volume), the following rules and regulations pertaining to the payment, collection and accounting of Hotel Room Tax, are hereby promulgated:

I. Imposition

The tax is imposed upon the gross amount of money paid by transient guests or tenants for renting, using or occupying a room or rooms in a hotel.

II. Definitions

1. Transient Guest or Tenant: Means a person or persons renting, using or occupying a room or rooms in a hotel for less than ninety (90) consecutive days.
2. Hotel: Means a building containing sleeping accommodations for more than five (5) persons and open to the transient public.

III. Procedures

1. A Hotel Operator must file an application for a tax account with the Director of Finance, Collection Division, Room #1, Wolman Municipal Building, 200 Holliday Street, Baltimore, Maryland 21202.
2. The tax is to be collected at the same time the room rental charge is collected.
3. Taxes collected during any calendar month must be remitted to the Director of Finance on or before the 25th day of the following month.
4. At the time payment is remitted, the person making the payment shall file with the Director of Finance a completed tax return as prescribed and furnished by the Director.

5. Every hotel operator shall keep complete and accurate records and documents as are necessary to determine the tax due. Such records and documents shall be kept within the City of Baltimore, and be open during normal business hours for inspection and examination by the Director of Finance or other duly authorized representatives, agents or employees of the Mayor and City Council of Baltimore. Documents supporting any exemptions reported shall be filed in such a manner as to be readily accessible to support monthly tax returns. Records and other documents must be retained for a period of four (4) years.

#### IV. Refunds

Whenever a person has paid the Tax in connection with a room or rooms in a hotel which the person has rented, used or occupied for ninety (90) consecutive days, that person may request a refund of the taxes which were paid. The request must be filed within three (3) years and shall include the dates of occupancy, the rental charges, the taxes actually paid, and a certification from the manager or operator of the hotel that the facts contained therein are true and correct and agree with the hotel's records.

#### V. Exemptions

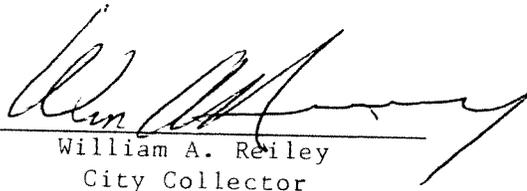
1. Whenever a person, or a corporation contracts with a hotel for a specified number of rooms or accommodations at a specified price for a period of ninety (90) days or more, the rental charges for the specified number of rooms or accommodations shall be exempt from the tax. Contracts which guarantee room rates for a period of ninety (90) days or more, but which do not guarantee a specified number of rooms are not exempt from the hotel tax.
2. Government employees are exempt from the tax only under the following conditions:
  - a. The rental charge is paid directly by the governmental entity or agency in the form of a check, or voucher, or billed to a credit card bearing only the name of the governmental entity or agency. Note: Credit cards bearing the name of the employee in addition to the name of the governmental entity or agency are subject to the tax.
  - b. The employee must complete an "Exemption Certificate for Governmental Agencies", which the hotel must retain with their records. (See III-5)

Reference: 310 MD 154 (1987) Comptroller of the Treasury v. World Inns, Inc. t/a Best Western Motels. The Maryland Court of Appeals ruled that the "Legal incidence of state sales tax imposed upon rentals of hotel rooms fell upon federal employees who rented such rooms and paid for rooms with their personal funds, though they were on government business, and thus, rentals of hotel rooms by federal employees were not immune from state sales tax."

3. Nonprofit organizations or their employees are not exempt from the hotel tax.

VI. Conveyance of Hotel Business

Whenever any person, firm, association or corporation owning or operating any hotel business in Baltimore City shall sell, transfer, convey or assign any such hotel business, the purchaser, transferee or assignee thereof shall, at least ten (10) days before taking possession or control of such hotel business or paying therefor, notify the Director of Finance by registered mail of the proposed sale, transfer, conveyance, or assignment and of the price, terms and conditions thereof.

  
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William A. Reiley  
City Collector

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