State of Oregon Lodging Tax Program

OREGON DEPARTMENT OF REVENUE

www.oregon.gov/dor

How did this tax come about?

The 2003 Oregon Legislature passed House Bill (HB) 2267 to establish a state lodging tax. The revenue this tax generates funds Oregon Tourism Commission programs. HB 2197, passed in 2005, expanded the definition of "transient lodging" and the list of who must pay the tax.

HB 2656, passed in 2013, expanded the list of who must collect and pay the tax. HB 2656 took effect on October 7, 2013 and requires transient lodging providers **and transient lodging intermediaries** to collect and remit taxes computed on the **total retail price** paid for occupancy of transient lodging.

The 2016 legislature passed HB 4146, which included two changes to the state lodging tax rate. Beginning July 1, 2016, the tax rate will be 1.8 percent of the total price charged for lodging. The rate will drop to 1.5 percent on July 1, 2020.

Who must pay this tax?

Transient lodging providers and transient lodging intermediaries must collect and remit the tax. Under the law, *whoever collects payment* for occupancy of the transient lodging (**"transient lodging tax collector"**) is responsible for collecting and remitting the tax.

A person who furnishes temporary overnight lodging is considered a transient lodging provider. A transient lodging intermediary is a person, other than a provider, that facilitates the retail sale and charges for the occupancy of transient lodging. Transient lodging intermediaries include, but are not limited to, online travel companies, travel agents, and tour outfitter companies. Transient lodging includes:

- Hotels and motels;
- Bed and breakfast facilities;
- RV sites in RV parks or campgrounds;
- Resorts and inns;
- Lodges and guest ranches;
- Cabins;
- Condominiums;
- Short-term rental apartments and duplexes;
- Vacation rental houses;
- Tent sites and yurts in private and public campgrounds; **and**
- Any other dwelling unit, or portion of a dwelling unit, used for temporary overnight stays.

How much is this tax?

If you collect payment for transient lodging directly from customers, then you must collect and remit this tax. The tax rate is based on the date of payment:

Payment date	Tax rate
Before July 1, 2016	1%
On or after July 1, 2016	1.8%
On or after July 1, 2020	1.5%

You will hold this tax in trust and send it quarterly to the Oregon Department of Revenue. If you don't pay this tax in a timely manner, we will charge you penalty and interest.

The law allows you to withhold 5 percent of the state lodging taxes you collect to cover your costs for record keeping, reporting, and collecting the tax.

How is this tax different from the city or county tax I'm already paying?

This tax promotes statewide tourism. City and county taxes fund local programs.

What lodging facilities are exempt from the tax?

- Health care facilities, hospitals, long-term care facilities, and residential care facilities that are licensed, registered, or certified by Oregon Department of Human Services.
- Drug or alcohol abuse treatment facilities and mental health treatment facilities.
- Facilities with less than 30 days of rentals in a calendar year.
- Emergency temporary shelter funded by a government agency.
- Nonprofit youth or church camps, nonprofit conference centers, and qualifying nonprofit facilities.

Are any lodgers exempt from the tax?

- Lodgers who spend 30 or more consecutive days at the same facility.
- *Federal employees on federal business.*

How and when do I pay the tax?

You must file a quarterly return and submit the tax on or before the last day of April, July, October, and January. You must file a zero return even if you didn't collect any tax for the reporting period.

You'll need to report your taxable gross receipts for each region in which you conduct business as a transient lodging tax collector. Include gross receipts from all regions on the same return. Do not file separate returns for each region or facility address. To determine the region in which a specific property is located, visit us at www.oregon.gov/dor/business. Look for the ZIP code/region directory.

File and pay electronically using Revenue Online at www.oregon/gov/dor. Revenue Online will calculate the tax you owe, allow for payment, and verify when we receive your filing and payment.

For more information on how to file and pay the state lodging tax, see our publication, *Filing State Lodging Tax Returns*, or contact us at spa.help@oregon.gov or (503) 945-8247.

Do you have questions or need help?

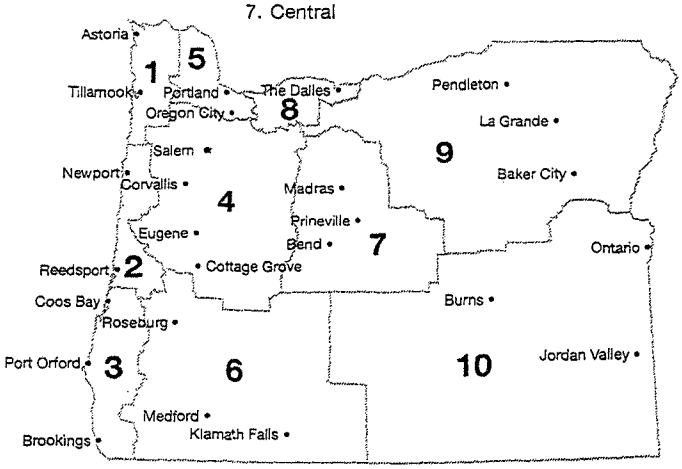
Lodging tax information ..... www.oregon.gov/dor/business

General tax information.....www.oregon.gov/dor

(503) 378-4988 or (800) 356-4222

questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.

OREGON'S TEN REGIONS

1. North Coast
2. Central Coast
3. South Coast
4. Willamette Valley
5. Portland Metro
6. Southern
7. Central
8. Mt. Hood / Gorge
9. Northeastern
10. Southeastern