

FAQ Hotel Occupation Tax

1. Who has to pay the tax?

"Hotel" shall mean any facility in which the public may, for a consideration, obtain sleeping accommodations in any space ordinarily used for accommodations. The term shall include hotels, motels, tourist hotels, campgrounds, courts, lodging houses, and inns; but "hotel" shall not be defined so as to include hospitals, sanitariums, nursing homes, chronic care centers, or dormitories or facilities operated by an educational institution and regularly used to house students.

2. Are Bed and Breakfast subject to Hotel Tax?

Yes, but only if the transient occupies the room for less than thirty days.

3. What is subject to the tax?

The total consideration charged for occupancy per night of any space furnished by any hotel.

4. How much is the tax?

The tax is 5.5% on the total cost of each room per night.

5. Who is exempt from the tax?

The hotel tax does not apply to hospitals, sanitariums, nursing homes, chronic care centers, or dormitories or facilities operated by an educational institution and regularly used to house students. As well complimentary or other sleeping accommodations for which no consideration is charged and sleeping accommodations leased by an employer for use by its employees when a specific room is the subject of the lease, the lease extends for more than 30 consecutive days, and consideration is actually paid for use during at least 30 consecutive days.

6. How does my business file the tax?

The return and associated tax may be filed either online or manually through the submission of the Hotel Tax Form. The tax may be paid online via ACH or Credit Card, or when filing manually, via check.

7. When is the return due?

The return is due by the 25th of the month following the month in which the tax is collected. Returns postmarked before the 25th of the month will be considered timely filed. It does not matter if the 25th falls on a holiday or non-working day; the due date is always the 25th. The Hotel form and a check for the full amount should be mailed to the address listed on the form (1819 Farnam St, Room H10, Omaha, NE 68183). If paying online, a credit card payment or e-check payment made by the 25th of the month is considered paid timely.

8. How is the tax calculated?

The hotel tax is calculated on the gross receipts. The Nebraska Sales & Use Tax is calculated on the gross receipts plus the restaurant tax.

Example

| | |
|-----------------------------|-------------|
| Hotel room rate | 100.00 |
| Hotel Tax rate 5.5 % | <u>5.50</u> |
| Amount subject to sales tax | 105.50 |

| | |
|------------------------|-------------|
| Base Amount | 105.50 |
| Sales Tax 7% | <u>7.39</u> |
| Total cost to customer | 112.89 |

Amount remitted to State of NE **\$ 7.39**

Calculation of amount sent to City

| | |
|--------------------------------------|----------------|
| 5.5% Hotel Tax | 5.50 |
| Less: Collection Fee of 2% | <u>.11</u> |
| Amount remitted to the City of Omaha | \$ 5.39 |

9. What happens if the business pays their tax late?

Tax is due the 25th of the month following collection (October tax is due November 25th). The tax must be paid online by the due date or if mailed, must be postmarked by the due date in order for the tax to be considered paid on time. If the tax is filed late, a 10% penalty will be assessed and a 1% interest charge will be assessed for each month or part of a month that the tax is overdue.

10. What classifies as a bed and breakfast?

A Bed and Breakfast is defined as a single family residential structure being operated as a hotel, which may or may not be the owner's primary residence, and offering individual sleeping rooms and owner provided meals for transients. (A transient is an individual who occupies a sleeping room for 30 days or less)