

## CHAPTER 12 – SALES TAX CODE

### Sec. 12-444. Hotels.

The tax rate shall be at an amount equal to one and eight tenths percent (1 8/10%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or lodging space furnished to any:

- (a) Person.
- (b) Exclusions. The tax imposed by this Section shall not include:
  - (1) Income derived from incarcerating or detaining prisoners who are under the jurisdiction of the United States, this State or any other state or a political subdivision of this State or of any other state in a privately operated prison, jail, or detention facility
  - (2) Gross proceeds of sales or gross income that is properly included in another business activity under this Article and that is taxable to the person engaged in that business activity, but the gross proceeds of sales or gross income to be deducted shall not exceed the consideration paid to the person conducting the activity.
  - (3) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person not subject to tax under this Article.
  - (4) Gross proceeds of sales or gross income from transactions or activities that are not limited to transients and that would not be taxable if engaged in by a person subject to taxation under Section 12-410 or Section 12-475 due to an exclusion, exemption, or deduction.
  - (5) Gross proceeds of sales or gross income from commissions received from a person providing services or property to the customers of the hotel. However, such commissions may be subject to tax under Section 12-445 or Section 12-450 as rental, leasing, or licensing for use of real or tangible personal property.
  - (6) Income from providing telephone, fax, or internet services to customers at an additional charge, which is separately stated to the customer and is separately maintained in the hotel's books and records. However, such gross proceeds of sales or gross income may be subject to tax under Section 12-470 as telecommunication services.

(Code 1977, § 9A-444)

(Ord. 03-17, 4/15/03, renumbered from Chapter 9A) SUPP 2003-2

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