



CITY OF GRAND JUNCTION RETAIL SALES AND USE TAX ORDINANCE Administrative Regulations

REGULATION 34-63 and 34-105 (8) Lodging Services

[98-01]

DEFINITION

Lodging services means the furnishing of rooms or accommodations by any person to another person who for consideration uses, possesses, or has a right to use or possess any room in a hotel, inn, bed and breakfast, residence, apartment, lodginghouse, motor hotel, guesthouse, guest ranch, trailer coach, mobile home, auto camp, or trailer court and park, or similar establishment, for a period of less than 30 days under any concession, permit, right of access, license to use, or other agreement, or otherwise.

TAXABILITY

The *full price* charged for lodging services as defined is subject to **City sales tax of 2.75% and lodging tax of 3%**. *Full price* includes added costs for the room such as rollaway beds, cribs, pet surcharges, etc.

EXEMPTIONS

Charges for banquet/meeting rooms along with services such as laundry services, fax services, valet services and other such services are not subject to sales tax or lodging tax. Equipment rental for banquet/meeting rooms *is subject to City sales tax* if no City sales/use tax was paid when the equipment rental inventory was purchased. Equipment rental for banquet/meeting rooms is not subject to lodging tax.

Lodging services provided for 30 consecutive days or more are not subject to sales or lodging tax. For this exemption to apply to contract billings (i.e., SkyWest, Roadway, etc.), there must be a written agreement for occupancy for a period of 30 consecutive days or more and the company/lodger must be billed based on a monthly contract rate, not daily rate. For instance, if the company needs three rooms per day for 30 or more consecutive days, they must pay for the three rooms for the whole month whether the rooms are used or not. If the company needs more than three rooms on a particular day but not for the whole month, the additional rooms are subject to sales and lodging tax.

Government employees, educational & religious groups, and charitable organizations are exempt from sales and lodging tax. See City of Grand Junction FYI *How to Document Tax-Exempt Sales* for information on requirements and documentation needed.

TELEPHONE CHARGES BY HOTEL/MOTELS:

The charges for local and long distance telephone calls are subject to City sales tax but not lodging tax. See Regulation [98-02] 34-105(2) *Telephone Charges By Hotels/Motels* for further information and clarification.

TAXABILITY OF ITEMS PURCHASED BY HOTEL/MOTELS

GUEST AMENITIES:

Such supplies as toilet tissue, soap, shoeshine cloths, clothes bags, matches, facial tissue, coffee and other items available for guests use are **not subject to sales or use tax** at the time of purchase by the hotel or motel.

Linens, furniture, pool equipment and supplies, and similar items **are** subject to sales or use tax at the time of purchase by the hotel or motel.

CONTINENTAL BREAKFASTS:

If a continental breakfast is provided for guests of a lodging service at no extra charge if either accepted or declined, the food, drink, paper and plastic supplies used to provide the continental breakfast to the hotel/motel guests are **not subject to City sales or use tax** at the time of purchase by the hotel or motel.

The foregoing regulation, having been duly promulgated and the public having had opportunity to comment on the propriety of said regulation after public notice, is hereby adopted and is deemed effective this 15th day of June, 1998.

Ronald M. Lappi
Finance Director
City of Grand Junction