

Rule 008 – Hotel/Motel Sales/Use and Occupancy Tax Collection

RE: Sales/Use and Occupancy (hotel/motel) tax on rooms, cottages, cabins, lodges, camp sites and other facilities catering to transient guests

Louisiana Revised Statute 47:301(14) defines “Sales of Services” to mean and include (14)(a) “[t]he furnishing of sleeping rooms, cottages or cabins by hotels. “Hotel” is defined at R.S. 47:301(6) to include any establishment engaged in the business of furnishing sleeping rooms, cottages, or cabins to transient guests, where such establishment consists of six or more sleeping rooms, cottages, or cabins at a single business location. Such transactions are subject to St. John the Baptist Parish sales tax at a rate of 4.75%.

Louisiana Revised Statute 33:4574.12 established the River Parishes Convention, Tourist, and Visitors District and its governing authority the River Parishes Convention, Tourist, and Visitors Board, and authorized said Board to levy and collect a hotel/motel occupancy tax of 2% of the rent or fees charged for such occupancy in the district, which includes St. John the Baptist Parish. The statute further establishes that “hotel/motel” shall mean and include any establishment, public or private, engaged in the business of furnishing or providing rooms intended or designed for dwelling lodging or sleeping purposes to transient guests where such establishment consists of two or more guest rooms and shall **include overnight camping facilities.**

Louisiana Department of Revenue, in Revenue Ruling Number 07-003, has concluded that the character of use is the proper determinant in establishing whether a person is a transient or permanent guest; and therefore the distinction between the sale of transient accommodations (a taxable transaction), and the rent or lease of a permanent home use (a non-taxable transaction). Additionally, factors such as whether the occupant uses the hotel as a home, and not merely as a place to sleep; the length of stay, the existence of a special contract for the room, and the existence of a home elsewhere, are circumstances to consider when determining whether a person is a guest rather than a boarder or lodger.

The Department further requires the existence of necessities required of a home, (i.e., refrigerator, stove, and sink) be part of the physical property and be integrated into one location within the occupied area, if such location is to be considered for permanent home use.

Additionally, the Department concluded the use of the term “transient guest” as opposed to “transient person” requires actual physical situs to establish permanent home use. Therefore, the practice of securing a site on an ongoing basis for use by more than a single party is a demonstration of a transient guest accommodation, as is the practice of separate stays, regular or frequent though they may be, by a single person at a particular hotel.

Therefore, it is the intent of the designated collector for St. John the Baptist Parish to collect the appropriate sales/use, and/or occupancy, tax for all transactions subject to the laws referenced above, with due deference afforded to the Louisiana Department of Revenue in its determination and guidance on such applicability.