

Common Guest Fees Subject to TOT

No-Show Fees

A No-Show Fee is charged when the potential guest breaches the contract entered into when the reservation was made. By giving the lodging provider a credit card number, the potential guest is authorizing the lodging facility to charge for rent for the period agreed as liquidated damages for a breach of contract. If the potential guest is charged “rent,” then the potential guest must also be charged Transient Occupancy Tax (TOT).

Attrition/Cancellation Fees for Group Booking

Same as No-Show Fees except that whereas these fees relate to an individual guest, Attrition Fees relate to an organization that has booked a series of “sleeping” rooms, meeting rooms, and food/beverage. The contract generally specifies that an Attrition Fee will be charged for any breach with specific liquidated damages. The ratio of sleeping accommodations to total services provided would be the percentage applied to the stated Attrition Fee, which would be subject to TOT.

Late Check-Out Fees

A fee charged to a guest who requests to stay later than the stated check-out time. The Fee directly relates to sleeping accommodations and is therefore considered rent and subject to TOT.

Extra Person Charges

Room rates are generally quoted for double occupancy and any guests exceeding that stated number would be subject to this extra charge. This charge directly relates to sleeping accommodations and is therefore considered rent and subject to TOT.

Resort Fees

These fees are an additional charge to guests that cover such things as Wi-Fi, use of swimming pool, gym, or any other guest service. If the fee is non-optional (if you don’t pay, you don’t get to stay), then it is just another name for rent, and is subject to TOT.

Cleaning Fees

These fees relate only to units rented by rental agencies.

These non-optional fees are charges to guests for cleaning the rented sleeping accommodations (single family homes, condominiums, or townhouses) owned by individuals. They are sometimes included in the quoted rental rate and would be subject to TOT. If, however, these fees are listed separately, they are still considered non-optional rent charges that are subject to TOT.

Surcharges

A surcharge would be a charge in addition to the usual rental payment and would include such items as an energy surcharge or an in-room safe charge. If these fees are non-optional, they are considered rent and subject to TOT.

Roll-Away Bed Charge

These charges are directly related to sleeping accommodations and are therefore deemed consideration paid for the privilege of occupancy and are subject to TOT.

Pet Fees

These fees are considered as a non-optional charge for the guest that agrees to pay this extra charge to have their pet stay in the room. If the guest does not agree to pay the charge, then he is not allowed to occupy the room; therefore, this fee is subject to TOT.

Common guest fees subject to TOT can be categorized as follows:

Directly related to sleeping accommodations:

- No-Show Fees
- Attrition/Cancellation Fees
- Late Check-Out Fees
- Extra Person Charges
- Roll-Away Bed Charges

Non-optional charges

- Resort fees
- Cleaning fees
- Surcharges
- Pet Fees