

**TAX TIPS FOR
OPERATORS OF HOTELS, MOTELS AND TOURIST HOMES
CONDUCTING BUSINESS IN DELAWARE
Things You Should Know**

Definitions, 30 Del. C, Ch. 23 and 61

Persons engaged in the business of providing sleeping accommodations to the general public are required to obtain license and collect an 8% (.08) lodging tax. Please refer to the following definitions:

Hotel means any person engaged in the business of operating a place where the public may, for a consideration, obtain sleeping accommodations and meals and which has at least 6 permanent bedrooms for the use of guests. This definition does not include rooms rented from any charitable, educational or religious institution, summer camp for children, hospital or nursing home.

Motel means any person engaged in the business of furnishing, for a consideration, transient guests with sleeping accommodations, bath and toilet facilities, linen service, and a place to park an automobile.

Tourist Home means any person who operates a place where tourists or transient guests, for a consideration, may obtain sleeping accommodations and which has at least 5 permanent bedrooms for the use of tourists or transient guests, but which does not have cooking facilities for the use of tourists or transient guests.

Taxable Receipts

Section 6102 of Title 30 of the Delaware Code imposes an eight percent (0.08) excise tax on the rents received from the occupancy of a room or rooms in a hotel, motel or tourist home within Delaware. The tax is imposed on the occupant of the room and collected and remitted monthly by the operator of the hotel, motel or tourist home. Rooms rented to charitable, religious or other non-profit organizations are not exempt from the lodging tax. If you need to register with the Division of Revenue for an additional business license, please complete a Combined Registration Application and mail to the Division of Revenue with the appropriate fee or apply on-line at OneStop. Both can be accessed from our website at www.revenue.delaware.gov

Additional License Requirements

Separate charges for meals, room service, telephone calls, parking and valet services are not subject to the lodging tax but are subject to other occupational license fees:

- If your facility has a restaurant which is open to the general public and not limited to the room occupant, a **Restaurant Retailer** license is required.
- Receipts received from the leasing of facilities, exclusive of rooms intended for sleeping, for commercial purposes such as conventions, trade shows, special events and sales are subject to taxation as a **Commercial Lessor**.
- Charges for parking, valet service and telephone charges in excess of the cost of such telephone services are subject to taxation as a **General Service** licensee.
- Sales of newspapers, sundry items, gifts, snack food, clothes, souvenirs and other items are subject to taxation as a **General Retailer**.

Exempt From The Lodging Tax:

- Rooms rented to the employees of the United States Government or its agencies and instrumentalities, including members of the armed forces, in the performance of official duties.
- Rooms rented to the employees of the State of Delaware and its agencies, including public schools, in the performance of official duties.
- Charitable, educational, religious, children's summer camps, hospitals and nursing homes are not considered hotels, motels or tourist homes and are not required to be licensed as a provider of public accommodations. **Note:** Persons providing the services above as a 'for profit' entity, such as a nursing home, are subject to the General Service licensing provisions.
- Rooms rented to occupants who occupy or who have the right to occupy the room or rooms for a period of at least five (5) consecutive months.

'Exemption Certificate from Tax on Occupancy', Form 6100, is available at any Division of Revenue office and on the Internet. This document must be completed for each exempt transaction and maintained by the operator for a period of not less than 48 months after the date of the room rental.

License Requirements

Operators of hotels, motels and tourist homes are required to obtain a business license -- Hotels \$25 per room and \$30 per suite, Motels \$25 per room and Tourist Homes \$15 per room -- for each facility -- which must be renewed annually on

or before December 31st of each year. Licenses for businesses operating on a seasonal basis are not prorable and the license renewals are due on or before December 31st each year.

Revenue Sharing of Accommodations Tax

Twenty-five percent of the eight percent (8%) public accommodations tax collected is divided evenly between the Beach Preservation Fund and, in the proportion in which it was collected, the Convention and Visitors bureaus in each county.

Tax Rates, Exclusions and Due Dates

Hotel, Motel, Tourist Home Sample Calculation:

$$\text{Rents Collected} \quad \$175,000.00 \times .08 = \quad \$14,000.00 \text{ Tax Due}$$

(Note: Delaware requires that tax due be rounded-off to the nearest dollar amount.)

Due Dates of Returns

Monthly returns for Hotel, Motel and Tourist Homes are due on the 15th of the month following the end of the tax period.

General

If you have any questions, please contact one of the following offices:

<i>Wilmington</i>	<i>Dover</i>	<i>Georgetown</i>
Division of Revenue Carvel State Office Building 820 North French Street Wilmington DE 19801 (302) 577-8205	Division of Revenue Thomas Collins Building 540 South DuPont Highway Suite 2 Dover DE 19901 (302) 744-1085	Division of Revenue 20653 DuPont Blvd. Suite 2 Georgetown DE 19947 (302) 856-5358

or by e-mail at: rev_busaudit@delaware.gov or 302-577- 8662

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Print an Interactive Gross Receipts Coupon:
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