

**ADMINISTRATIVE GUIDELINES
HOTEL/MOTEL ROOM TAX
Procedure 700**

The current City and Borough (CBJ) hotel/motel tax rate is 9%. The 9% is levied in addition to the CBJ sales tax rate of 5%. The two taxes are established by two different ordinances: CBJ 69.05 for the sales tax and CBJ 69.07 for the hotel/motel tax. Both the sales tax and the hotel/motel tax were established by votes of the citizens of the City and Borough of Juneau. An increase to the hotel/motel tax was approved by voters during the October 1, 2019 Municipal election, increasing the hotel/motel tax from 7% to 9%.

Rental Time Period	Hotel/Motel Tax	Sales Tax	Total Tax Due
Up until December 31, 2019	7%	5%	12%
January 1, 2020 –current	9%	5%	14%

The hotel/motel tax levies a tax on room rentals for short-term guests. Each guest is responsible for the tax imposed and the tax is due and payable at the time the rent is paid. Hotel/motel operators (*which includes short-term vacation rentals through online hosting platforms*) are responsible for the collection of the sales tax and the hotel/motel tax from the guest and the remittance of the taxes with the quarterly sales tax return.

The hotel/motel ordinance defines a “transient” on whom the tax is imposed as “a person who occupies or rents a suite, room or rooms in a hotel/motel for fewer than thirty consecutive days for the purpose of habitation.” To determine if a guest is considered a transient subject to the tax, the hotel/motel or short-term rental operator must examine the guest’s intentions as to the length of the hotel/motel stay according to the following guidelines:

1. If the guest indicates or provides intent that the room or rooms will be occupied for longer than 29 days, and the guest’s stay is for longer than 29 consecutive days, the entire transaction is exempt from the sales tax and the hotel/motel tax.
2. If the guest or transient does not provide an intent to occupy the room or rooms for longer than 29 days, but the guest remains longer than 29 days, the sales tax and the hotel/motel tax applies for the first 29 days. On and after the 30th consecutive day the rental will be exempt from both the sales tax and the hotel/motel tax.
3. If the guest or transient indicates or provides intent to occupy the room or rooms for longer than 29 days but discontinues the rental prior to the 30 day intent originally provided, the entire transaction becomes subject to the sales tax and the hotel/motel tax.

The exemptions from the hotel/motel tax are as follows:

- A. Sales made directly to nonprofit organizations. This is only for organizations that qualify for a 501(c)(3) or 501(c)(4) status with the IRS and have been registered with the CBJ Sales Tax Office. The Sales Tax Office issues an exemption certificate with a 3-digit exemption

number, and this number is the required documentation. The Sales Tax Office suggests for repeat non-profit customers that the merchant maintain on file a copy of the non-profit exemption certificate. A current list of non-profit organizations that have been granted a CBJ Non-Profit Sales Tax exemption certificate is available from the Sales Tax Office upon request.

- B. Prohibited. CBJ is restricted from taxing certain transactions under federal and state statute, including the federal government, the State of Alaska, and federally-chartered credit unions. For example, sales of hotel/motel stays made directly to the State of Alaska would be exempt from the sales tax and the hotel/motel tax. Individuals who purchase hotel/motel stays with their own funds for later reimbursement by the State of Alaska may not take this exemption. Only direct sales paid by government check, government Purchase Order, or a qualifying State of Alaska credit card qualify. A copy of the check, the Purchase Order requisition number, or qualifying credit card receipt is the required documentation. For information on the qualifying State of Alaska credit card program or for questions regarding other federal and state restrictions, please call the Sales Tax Office.