

Date Issued: July 13, 2015
Georgia Letter Ruling: LR SUT-2015-01
Topic: Hotel-Motel Fee

This letter is in response to your request for guidance on the application of the Georgia hotel-motel fee to extended stays.

Facts as provided by the Customer

“Customer” is currently renting a hotel room at a Georgia Hotel (the “Hotel”). Customer checked into the hotel room on May 31, 2015 and currently occupies the room. Customer has continuously occupied the room from May 31, 2015 through the date of this letter. Customer pays for the room on a weekly basis. Each Sunday, Customer remits payment to the Hotel for the upcoming seven-day week.

Issue

Is Customer’s hotel room rental an extended stay rental for purposes of the hotel-motel fee in O.C.G.A. § 48-13-50.3?

Analysis

Georgia law imposes a \$5.00 per night fee for each calendar night that a hotel room is rented, until the rental becomes an extended stay rental.¹ The innkeeper of the hotel is required to charge the fee for hotel room rentals occurring on or after July 1, 2015 for which payment is tendered on or after July 1, 2015.² Once a rental becomes an extended stay rental, the fee no longer applies for subsequent consecutive nights of the rental.³ A rental becomes an extended stay rental upon the 31st day of continuous occupancy of the hotel room by the same customer.⁴ This is determined by looking to the actual number of consecutive days that a customer occupies the hotel room, regardless of whether the customer checks out then checks back in to the hotel (without a break in actual occupancy of the hotel room).⁵ For purposes of determining if a rental has become an extended stay rental, continuous days of occupancy occurring prior to July 1, 2015 count toward the 30-day requirement.

To summarize, the first 30 days (and only the first 30 days) of an extended stay rental are subject to the fee when those days occur and are paid for on or after July 1, 2015. If all or part of the first 30 consecutive days of an extended stay rental occurred prior to July 1, 2015, the fee does not apply to those days occurring prior to July 1, 2015 even if the rental continues past July 1, 2015.⁶ In addition, if the rental becomes an extended stay rental prior to July 1, 2015 (the first 30 continuous days of occupancy having occurred prior to July 1, 2015), the fee does *not* apply

- (i) to the first 30 nights of the rental, because the fee only applies to stays occurring on or after July 1, 2015, or
- (ii) to any subsequent consecutive nights, even if the rental continues past July 1, 2015, because the fee no longer applies after the 30th consecutive day of occupancy.⁷

Ruling

¹ O.C.G.A. § 48-13-50.3(b).

² *Id.*; Ga. Comp. R. & Reg. 560-13-2-.30-.01(3).

³ Ga. Comp. R. & Reg. 560-13-2-.30-.01(8)(c).

⁴ O.C.G.A. § 48-13-50.3(a)(1); Ga. Comp. R. & Reg. 560-13-2-.30-.01(8)(c).

⁵ It should be noted that changing hotel rooms in the same hotel does not interrupt the period of consecutive occupancy for purposes of determining whether a rental has become an extended stay rental. Ga. Comp. R. & Reg. 560-13-2-.30-.01(8)(d).

⁶ *See* Ga. Comp. R. & Reg. 560-13-2-.30-.01(4)(c) and (e).

⁷ *Id.*

Customer's hotel room rental is an extended stay rental for purposes of the hotel-motel fee in O.C.G.A. § 48-13-50.3. Based on the facts presented, Customer's rental became an extended stay rental on June 30, 2015. The first 30 days of Customer's hotel room rental are not subject to the fee because they occurred prior to July 1, 2015. Customer does not owe the fee for any further consecutive nights of the rental occurring after June 30, 2015.

The opinions expressed in this ruling are based upon the information contained in your request and limited to the specific transactions, facts, circumstances, and taxpayer in question. Should the circumstances regarding the transactions change or differ materially from those represented, this ruling may become invalid. Subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which this advice is based may subject similar future transactions to a different tax treatment than that expressed in this ruling.