

Date Issued: August 27, 2015
Georgia Letter Ruling: LR SUT-2015-06
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 Taxpayer

Taxpayer provides extended stay accommodations at various locations throughout Georgia. Taxpayer requires customers who rent a room for more than 30 days to check out on the 30th day then check back in. The check out and check in occur on the same day. The customer continues to occupy the room, and the room is not released for rent to another customer. For example, if a customer stays for 45 consecutive days, the customer would check out and check back in on the 30th day without any break in actual occupancy of the room.

Issues

Does a hotel customer's checking out and checking back in to a hotel interrupt the period of consecutive days of an otherwise 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 However, 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 rental occurs under separate, successive contracts and 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 example, a customer checks into a hotel room on September 1, 2015, checks out and back in to the hotel on September 30, 2015, and permanently checks out of the hotel on October 15, 2015. The customer continuously occupies the room from September 1, 2015 to October 15, 2015. The rental becomes an extended stay rental on October 1, 2015, even though the customer checks out and checks back in to the hotel on the 30th day. The customer owes the hotel-motel fee for the first 30 days of the rental only and does not owe the fee for the remainder of the rental.

Ruling

A customer checking out and checking back in to a hotel without a break in actual occupancy of the hotel room by the customer does not interrupt the period of consecutive days of an otherwise extended stay rental for purposes of the hotel-motel fee in O.C.G.A. § 48-13-50.3. Taxpayer should ensure that it maintains sufficient records showing that the same customer continues to occupy the room despite checking out and checking back in.

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.

¹ O.C.G.A. § 48-13-50.3(b).

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

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

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

⁵ Ga. Comp. R. & Regs. 560-13-2-.30-.01(8)(c).