THE CITY OF SAN DIEGO

Transient Occupancy Tax (TOT) and Energy Surcharges

November, 2004

Dear Hotel/Motel Operator:

Many calls have been received from hotel/motel operators inquiring as to the applicability of Transient Occupancy Tax on energy surcharges. Please be advised that any energy surcharges passed along to guests are considered "Rent" as defined by Chapter III, Article 5 § 35.0102 of the San Diego Municipal Code:

> *"Rent" means the total consideration charged to a Transient as shown on the guest receipt for the Occupancy of a room, or portion thereof, in a Hotel, or a space in a Recreational Vehicle Park or Campground. "Rent" includes charges for utility and sewer hookups, equipment, (such as rollaway beds, cribs and television sets, and similar items), and in-room services (such as movies and other services not subject to California taxes), valued in money, whether received or to be received in money, goods, labor, or otherwise. "Rent" includes all receipts, cash, credits, property, and services of any kind or nature without any deduction therefrom.*

As such, for the privilege of occupancy in any Hotel or Motel located in the City of San Diego, each Transient is subject to and shall pay Transient Occupancy Tax on the *Rent* charged by the Operator, which may include energy surcharges.

Sincerely,

Mary Vattimo
City Treasurer

DIVERSITY BRINGS US ALL TOGETHER

Transient Occupancy Tax • Office of the City Treasurer
1200 Third Avenue, Suite 100 • San Diego, CA 92101
Tel (619) 236-6647 Fax (619) 236-7134