

**THE CITY OF SAN DIEGO
OFFICE OF THE CITY TREASURER
TRANSIENT OCCUPANCY TAX REGULATION**

REGULATION CLARIFYING THE DEFINITION OF “RENT”

REFERENCE: San Diego Municipal Code (SDMC) Chapter 3, Article 5, Division 1

AUTHORITY: SDMC § 35.0136

PURPOSE

This regulation provides clarification on the definition of rent that is charged to transients and subject to the City’s Transient Occupancy Tax (TOT).

BACKGROUND

The Office of the City Treasurer is responsible for the administration of TOT in accordance with the San Diego Municipal Code (SDMC) Chapter 3, Article 5, Division 1. Capitalized terms in this regulation refer to terms defined in SDMC section 35.0102, as may be amended from time to time. This regulation provides clarification to the definition of rent and addresses the questions most frequently asked by Operators.

CITY TREASURER REGULATION

TOT is calculated as a percentage of the Rent an Operator charges a Transient. SDMC §§ 35.0103-08. The SDMC section 35.0102 defines Rent as:

“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.

The following charges are considered “Rent” for the purposes of calculating TOT due:

- Equipment rentals
- In-room movies and entertainment
- Early check-in and late check-out fees
- No-show fees
- Extra person fees

- Resort fees
- Rate parity amounts
- Cancellation fees and non-refundable deposits
- Forfeited deposits
- Group cancellation fees (excluding liquidated damages - to be considered liquidated damages, the cancellation fee per the group contract must remain the same regardless of events happening after the cancellation)
- Mandatory cleaning fees
- Credit card and convenience fees
- Attrition fees
- Pet fees
- Other mandatory surcharges and fees
- Third-party provider fees charged to the guest

Additionally, no deductions can be made from the calculation of Rent charged to the Transient, including deductions for:

- The value of complimentary services
- Fees incurred as a cost of doing business (e.g. credit card fees, fees for use of online platforms.)

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