§ 4-6-102. Recordkeeping.
(a) Requirement. Each taxpayer shall keep complete and accurate records of all payments and receipts for a taxable service or commodity and the tax collected and all invoices and such other pertinent records and documents as are necessary to determine the amount of tax due.
(b) Availability. Records and other documents shall be available at all times during normal business hours for inspection and examination by the Controller, the collecting authority, or the duly authorized representative, agent, or employee of the Controller or collecting authority.
(c) Failure to keep records. If a taxpayer fails to keep records from which a tax imposed by this subtitle may be accurately computed, the Controller or collecting authority may make use of a factor developed by surveying other taxpayers of the same type or otherwise compute the amount of tax due. There is a rebuttable presumption that the computation is correct.
(1985 Code, Art. 6, § 7-402)

§ 4-6-105. Hotel occupancy tax.
(a) Definitions. In this section, the following words have the meanings indicated.
(1) “Additional rent” means the rent paid by an occupant to a room remarketer that is in excess of the net rent.  
(2) “Collecting authority” means the County Controller except as provided in subsection (k).  
(3) (i) “Hotel” means a facility that offers sleeping accommodations to the transient public.  
(ii) “Hotel” includes a motel, inn, bed and breakfast home or inn, rooming or guest house, and tourist home.  
(iii) “Hotel” does not include a bed and breakfast home, rooming or guest house, or tourist home that has fewer than three bedrooms for the lodging of occupants.
(4) “Hotel owner or operator” means a person who possesses or has an ownership interest in a hotel or is engaged in the business of operating a hotel.
(5) “Net rent” means the rent received by a hotel owner or operator from a room remarketer.
(6) “Occupant” means a person who uses or occupies a room in a hotel.
(7) (i) “Rent” means the consideration paid for the use or occupancy of a room in a hotel in the County.
(ii) “Rent” includes both the “net rent” and the “additional rent” when the use or occupancy of a room is reserved, booked, brokered, or otherwise arranged for by a room remarketer and the full amount of the rent is not paid by the occupant directly to the hotel owner or operator.
(iii) “Rent” includes charges for services and booking fees that are a condition of use or occupancy and any amount for which credit is allowed by the hotel owner or operator or room remarketer to the occupant.
(iv) “Rent” does not include charges for optional services provided by the hotel to the occupant that are in addition to the charge for use or occupancy and that are set forth separately on the bill presented to the occupant.
(8) “Room remarketer” means a person, other than the owner or operator of a hotel, who has the right, access, ability or authority, through an internet transaction or any other means, to offer, reserve, book, arrange for, remarket, distribute, broker, or resell rooms for which use or occupancy is subject to the tax levied under this section.
(b) Levy and amount of tax. There is a hotel occupancy tax levied on the rent paid for the use or occupancy of a room in a hotel in the County. The rate of the tax is 7% of the rent.
(c) **Calculation and collection; no room remarketer.** If the full amount of the rent is paid by the occupant directly to the hotel owner or operator, the hotel owner or operator shall collect the tax from the occupant and remit the tax to the collecting authority as provided in subsection (g).

(d) **Calculation and collection; room remarketer.** If the use or occupancy of a room is reserved, booked, or otherwise arranged for by a room remarketer and the full amount of the rent is not paid by the occupant directly to the hotel owner or operator, the room remarketer shall:

1. collect the tax from the occupant based on the net rent and remit the tax to the hotel owner or operator who shall remit it to the collecting authority as provided in subsection (g); and
2. collect the tax from the occupant based on the additional rent and remit the tax to the collecting authority as provided in subsection (g).

(e) **Exemption for use or occupancy of 90 or more days.** The tax does not apply to the rent paid for the use or occupancy of a room in a hotel that continues for 90 or more consecutive days, provided that this exemption does not apply to a room remarketer that offers, reserves, books, arranges for, remarkets, distributes, brokers, or resells the room for use or occupancy by others.

(f) **Registration.** A hotel owner or operator or room remarketer that offers, reserves, books, arranges for, remarkets, distributes, brokers, or resells rooms for which use or occupancy is subject to the tax levied under this section shall register with the collecting authority on the form prescribed by the collecting authority.

(g) **Remittance and reports.** The tax collected by a hotel owner or operator or room remarketer shall be remitted to the collecting authority no later than the 25th day of each month. The hotel owner or operator or room remarketer shall at the same time file with the collecting authority a return on forms prescribed by the collecting authority that sets forth the amount of taxes collected during the preceding period and such other information as the collecting authority may require.

(h) **Failure to remit or collect tax; failure to register.**

1. A hotel owner or operator or room remarketer that fails to collect, remit, or file a return for the tax levied by this section within the time prescribed shall be assessed the amount of tax due, interest at the rate of 0.5% for each month or fraction of a month, and a penalty of 10% of the tax due. The interest and penalty shall be collected as part of the tax.
2. A hotel owner or operator or room remarketer that fails to register as required by subsection (f) shall be subject to a civil penalty of $1,000 in addition to any other amount owed under this subsection.

(i) **Refunds.** If a taxpayer has erroneously, illegally, or unconstitutionally paid the tax levied by this section, the collecting authority shall refund the tax if the refund is applied for in writing within three years after payment of the tax, and if there is good and sufficient grounds for the refund. The application shall be in the form approved by the collecting authority, signed by both the taxpayer and the proper officer of the hotel owner or operator or room remarketer, and submitted to the collecting authority.

(j) **Purchaser or assignee of hotel.** Not less than 10 days before taking possession or control of a hotel that is subject to the tax levied by this section, the purchaser, transferee, or assignee shall notify the collecting authority by certified mail of the sale, transfer, conveyance, or assignment. The notice shall set forth the name and mailing address of the purchaser, transferee, or assignee, and the anticipated date of taking possession or control. If notice to the collecting authority is not provided or if the collecting authority informs the purchaser, transferee, or assignee that a possible claim for taxes exists, the sums of money, property, or choses in action, or other consideration in which the purchaser, transferee, or assignee has an interest are subject to a first priority, right, and lien to the County, the Mayor and Aldermen of the City of Annapolis, as appropriate, for the tax. The purchaser, transferee, or assignee is liable to the extent of the amount of the claim for unpaid taxes due under this section.

(k) **Collecting authority.** Except as otherwise provided by an agreement executed in accordance with this subsection, the collecting authority for the tax levied by this section is the County Controller. For the tax levied on the occupancy of hotels located in the City of Annapolis, the County may enter into an agreement with the Mayor and Aldermen of the City of Annapolis delegating to the City of Annapolis the authority to act as collecting authority.

(Bill No. 69-11)
Hotel Occupancy Tax Frequently Asked Questions

Are no-show, early departure and cancellation fees taxable?
Yes, revenue for no-show, early departure and cancellation fees that are a condition of use or occupancy are considered “rent” by definition in the County Code and are taxable. These are cancellation, early departure, no-show, or attrition fees that are generally equal to the full amount of a room rental, where a person is charged the amount of a rental even though they do not actually occupy the room.

Are complimentary ("comped") rooms taxable?
Yes, taxes must be remitted to the County for complimentary (“comped”) rooms. The tax will be based upon the normal rental rate for the same or similar room on the same day of the week.

Do church groups, charitable and non-profit organizations need to pay the hotel occupancy tax?
Yes, charitable and non-profit organizations, including churches, do need to pay the hotel occupancy tax.

A guest will be staying in the hotel for more than ninety consecutive days. Do they need to pay the hotel occupancy tax?
The guest must pay the County hotel occupancy tax for the first ninety consecutive days. For any additional consecutive days, the hotel does not need to charge the County hotel occupancy tax. The guest can apply to the County for a refund of the hotel occupancy taxes paid for the first ninety consecutive days.

A government employee is staying in the hotel and paying for the room with a personal credit card. Do they need to pay the hotel occupancy tax?
Yes, government employees or groups are only exempt if the room bill is paid for with a government check or with a credit card billed directly to the government. Additional information about tax exempt sales to government employees is available on the Comptroller of Maryland website: