

## Use or 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.

### **Do church groups, charitable and non-profit organizations need to pay the use or occupancy tax?**

Yes, charitable and non-profit organizations, including churches, do need to pay the use or occupancy tax.

### **What is a short term rental?**

“Short-Term Rental” means a facility that offers sleeping accommodations to the transient public for rent including a Hotel, Motel, Inn, Bed and Breakfast Home, Bed and Breakfast Inn, Rooming House, as defined in § 18-1-101 of the Anne Arundel County Code, and short-term residential rentals. For purposes of this definition, “Short-Term Residential Rental” means the use or occupancy, facilitated by a Hosting Platform in exchange for rent, of all or part of a dwelling unit to provide accommodations to transient guests for no more than 120 consecutive days in a calendar year.

### **A guest will be staying in the short term rental for more than one hundred and twenty (120) consecutive days. Do they need to pay the use or occupancy tax?**

The guest must pay the County use or occupancy tax for the first one hundred and twenty (120) consecutive days. For any additional **consecutive days**, the short term rental does not need to charge the County use or occupancy tax. The guest can apply to the County for a refund of the use or occupancy taxes paid for the first one hundred and twenty (120) consecutive days.

### **A government employee is staying in the short term rental and paying for the room with a personal credit card. Do they need to pay the use or 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:

[https://taxes.marylandtaxes.gov/Business\\_Taxes/Business\\_Tax\\_Types/Sales\\_and\\_Use\\_Tax/Filing\\_Information/Tax\\_Exemptions/Exemption\\_Certificates/Sales\\_to\\_Government\\_Employees.shtml](https://taxes.marylandtaxes.gov/Business_Taxes/Business_Tax_Types/Sales_and_Use_Tax/Filing_Information/Tax_Exemptions/Exemption_Certificates/Sales_to_Government_Employees.shtml)