

Transient Occupancy Tax Return

General Information & Form Instructions

Taxes are due from any public or private hotel, inn, hostelry, tourist home or house, bed and breakfast, tourist camp, tourist cabin, camping grounds, motel, rooming house or other lodging place within the Town offering lodging for compensation, to any transient.

Lodging means any room, lodging or space furnished to any transient.

Transient means any person(s) who, for any period of not more than 30 consecutive days, either at his own expense or at the expense of another, lodges or obtains lodging at any hotel, motel tourist home or other facility.

The tax imposed shall not apply to the rental of condominiums, apartments, townhouses or single-family homes which are rented for occupancy for *periods exceeding 30 consecutive days*.

Please note: Northampton County also collects a transient occupancy tax. The report and payment of Northampton County's tax should be remitted directly to the Northampton County Commissioner of Revenue. Questions or additional information should be directed to Northampton County at the following telephone number: (757) 678-0446.

Form Instructions:

Gross Receipts is the amount collected by the innkeeper (or innkeeper's representative) on the cost(s) of renting the space offering guest rooms for rent **without subtracting** any costs or expenses, such as cleaning, etc.

Exempt Receipts: Subtract from your gross receipts any other transient or sales taxes that were collected which are due other entities or taxing authorities, or rental income received from foreign nationals or other tax-exempt agencies if they were included in Gross Receipts.

Net Taxable Receipts are gross receipts less exempt receipts.

4% Tax Liability: Multiply net taxable receipts by .04 or 4% and enter that amount on the line designated.

Flat Rate Tax: Multiply the number of room rental nights by \$1 flat rate for hotels and B&B's, and house rental nights at \$4 flat rate for rental homes.

Payment of the occupancy tax is due on or before the 20th day of the month covering the amount of tax collected during the preceding month.

If payment is made or is postmarked by the 20th of the following month: A 5% discount is allowed to the entity that collected the tax. Multiply the total tax liability by .05 and enter that amount in the line designated "5% Discount." Subtract that amount from the tax liability and enter the result in the "Net tax payment due from all sources" line. Sign and date the return and prepare a check for the amount due. Remit payment to the Town of Cape Charles. If VRBO or Airbnb pays part or all of you tax for the month, they will not take the discount. Enter in the amount they will be sending on the appropriate line.

If payment is not made or is not postmarked by the 20th day of the following month: A 10% late filing penalty will be assessed. Multiply the tax amount by 10% and enter that amount in the line designated "10% Late Filing Penalty." In addition: An interest charge is due thereon at the rate of 10% per annum or .833% per month and is computed upon the tax liability from the first day of the month following the month in which such tax is due and payable. Enter that amount in the line designated "Plus Interest." Add that tax liability, the 10% late filing penalty, and the interest amounts together and enter the result in the applicable "Tax Payable" line.

Sign and date the return and send payment and the return to the Treasurer, Town of Cape Charles. If you need assistance or have questions regarding the form, please direct them to the Treasurer's office by calling (757) 331-3259, ext. 20, 21, or 23.