

ORDINANCE 20251218
UPDATING CAPE CHARLES TOWN CODE CHAPTER 18, ARTICLE V.
TRANSIENT OCCUPANCY TAX, §§ 18-196 AND 18-198

WHEREAS, the Town of Cape Charles currently levies a Transient Occupancy Tax (TOT) of 4% of gross occupancy revenue, plus:

- \$4.00 per night for short-term rentals (STRs) of
- \$1.00 per room for bed & breakfasts and hotel rooms.

WHEREAS, currently, TOT is calculated and reported monthly with tax remittance due by the 20th day of the month following the month of occupancy with a 5% discount applied if tax is reported and paid on or before the due date; and

WHEREAS, to reduce the administrative time and effort required by both the STR and lodging operators and owners and the staff of the Treasurer’s office, it is more effective to shift the TOT reporting and payment process from a monthly basis to a quarterly basis; and

WHEREAS, in addition to the change to quarterly reporting and payment, staff is also recommending elimination of the discount for on-time payment; and

NOW, THEREFORE, BE IT ORDAINED by the Town Council of Cape Charles, this 18th day of December 2025, that Chapter 18, Article V, Sections 18-196 and 18-198 of the Cape Charles Town Code be revised as attached, to become effective January 1, 2026.

Adopted by the Town Council of Cape Charles on December 18, 2025.

By: _____
Mayor Charney

ATTEST:

Town Clerk

Sec. 18-196 – Reports required.

Every person collecting any tax levied by this article shall make out a report thereof, upon such forms and setting forth such information as the town treasurer may prescribe and require, showing the amount of lodging charges collected and taxes required to be collection. Such person shall sign and deliver such report to the town treasurer with the remittance of the taxes collected. **Transient Occupancy Tax shall be reported and remitted on a quarterly basis. Such reports and remittances shall be remitted to the town treasurer on or before the 20th day of month following the end of the preceding quarter.**

Delete Section 18-198 – Compensation for collection.