

12.20.031 - Registered hosting platforms.

- A. *Registration, collection, and remittance required.* Every hosting platform that agrees to accept room rental payment from a guest pursuant to section 12.20.020, subject to exemption rules specified in section 12.20.031A.1., shall obtain a certificate of registration prior to offering services to operators subject to this chapter, and shall collect room tax and remit the tax to the department on behalf of all operators for which it provides this service.
1. Exemptions.
- a. The following rules apply to exemptions from subsection A:
- i. Branded hosting platforms used exclusively for a particular hotel brand and its affiliates are exempt from registration.
 - ii. Tour companies, travel booking agents, and wholesale room sellers are exempt from room tax collection and remittance to the department for each room rental transaction meeting the following criteria:
 - (A) Sales of room nights for stays at an operator's individual property with ten or more rooms that is properly registered with the municipality, per the treasury division's online published list of registered operators; and
 - (B) Collection of room tax and payment of funds to the registered operator, either through direct transfer or subsequent billing from the registered operator.
- b. Any hosting platform subject to subsection A that is wholly involved in room rental transactions covered by this subsection A.1. shall not be required to register, collect, and remit room tax to the department.
- B. *Application.* Application for a certificate of registration shall be made to the chief fiscal officer on a form provided by the department containing such information as the department may require. There shall be no charge for issuing a certificate of registration.
- C. *Responsibilities.* An operator who uses a registered hosting platform as the sole method for renting or offering for rent a room shall not be subject to this chapter to the extent the registered hosting platform performs the responsibilities of an operator, with the exception of section 12.20.070, maintenance and inspection of records.
- D. A hosting platform applying for a certificate of registration under this chapter shall provide security for its fiduciary performance in accordance with section 12.20.035. Evidence of such security shall be submitted to the department with the application.
- E. Taxes collected by a registered hosting platform pursuant to this chapter shall vest in the municipality upon collection. The hosting platform has a fiduciary duty to the municipality for these taxes. The taxes shall be segregated from the hosting platform's funds, at least by book

account, and held in trust for the exclusive benefit of the municipality until remitted to the municipality.

- F. A registered hosting platform is not required to submit informational returns in accordance with section 12.20.045.
- G. A registered hosting platform shall submit tax returns and remit tax payments in accordance with sections 12.20.050 and 12.20.053, except that the tax return shall set forth or include the aggregate amounts of all rents earned by and taxes due from the operators who use the hosting platform to rent or offer to rent rooms through the hosting platform. To the extent a hosting platform collects taxes on behalf of an operator, the operator's liability for those taxes shall be deemed satisfied.
- H. A registered hosting platform shall obtain and preserve evidence sufficient to support all room rental transactions subject to this chapter and all claimed exemptions from payment, collection, or remittance of the room taxes under this chapter in accordance with section 12.20.070. To the extent a hosting platform may assign anonymous account numbers to operators using the hosting platform, when inspecting records the department shall inspect the required records in an anonymized fashion, unless the department has obtained a release of information from the operator or an order to produce identifiable operator information issued through a binding legal process.
- I. A registered hosting platform is not subject to section 12.20.090, tax lien.
- J. Except as expressly provided for in this section, a hosting platform is subject to all other provisions of this chapter.

(AO No. 2016-66, § 2, 6-21-16; AO No. 2019-99(S), § 1, 8-20-19)

12.45.051 - Registered hosting platforms.

- A. *Registration, collection, and remittance required.* Every hosting platform that agrees to accept a motor vehicle rental payment from a motor vehicle renter pursuant to section 12.45.020, subject to exemptions specified in subsection 12.45.051A.1., shall obtain a certificate of registration prior to renting motor vehicles to persons subject to this chapter, and shall collect vehicle rental tax and remit the tax to the department on behalf of all rental agencies, as defined in section 12.45.010, for which it provides this service.

1. Exemptions.

- a. The following rules apply to exemptions from subsection A.:
 - i. Branded hosting platforms used exclusively for a particular rental car brand and its affiliates are exempt from registration.
 - ii. Tour companies, travel booking agents, and wholesale vehicle rental agencies are exempt from vehicle rental tax collection and remittance to the department for each vehicle rental transaction meeting the following criteria:

- (A) The rental of vehicles at an individual rental agency with 25 or more vehicles that is properly registered with the municipality, per the Treasury Division's online published list of registered rental agencies; and
 - (B) Collection of vehicle rental tax and payment of funds to the registered rental agency, either through direct transfer or subsequent billing from the registered rental agency.
- b. Any hosting platform subject to subsection A. that is wholly involved in vehicle rental transactions covered by this subsection A.1. shall not be required to register, collect, and remit vehicle rental tax to the department.
- B. *Application.* Application for a certificate of registration shall be made to the chief fiscal officer on a form provided by the department containing such information as the department may require. There shall be no charge for issuing a certificate of registration.
- C. *Responsibilities.* A rental agency that uses a registered hosting platform as the sole method for renting or offering motor vehicles for rent shall not be subject to this chapter to the extent the registered hosting platform performs the responsibilities of a rental agency, with the exception of section 12.45.150, maintenance and inspection of documents and records.
- D. A hosting platform applying for a certificate of registration under this chapter shall provide security for its fiduciary performance in accordance with section 12.45.055, security for fiduciary performance. Evidence of such security shall be submitted to the department with the application.
- E. Taxes collected by a registered hosting platform pursuant to this chapter shall vest in the municipality upon collection. The hosting platform has a fiduciary duty to the municipality for these taxes. The taxes shall be segregated from the hosting platform's funds, at least by book account, and held in trust for the exclusive benefit of the municipality until remitted to the municipality.
- F. A registered hosting platform shall submit tax returns and remit tax payments in accordance with sections 12.45.060 and 12.45.070, except that the tax return shall set forth or include the aggregated amounts of all motor vehicle rents earned by and taxes due from the rental agencies who use the hosting platform to rent or offer to rent motor vehicles through the hosting platform. To the extent a hosting platform collects taxes on behalf of a rental agency, the rental agency's liability for those taxes shall be deemed satisfied.
- G. A registered hosting platform shall obtain and preserve evidence sufficient to support all motor vehicle rental transactions subject to this chapter and all claimed exemptions from payment, collection, or remittance of the vehicle rental taxes under this chapter in accordance with section 12.45.150. To the extent a hosting platform may assign anonymous account numbers to rental agencies or individuals using the hosting platform, when inspecting records the department shall

inspect the required records in an anonymized fashion, unless the department has obtained a release of information from the rental agency or individual, or an order to produce identifiable information issued through a binding legal process.

H. A registered hosting platform is not subject to section 12.45.110, tax lien.

I. Except as expressly provided for in this section, a hosting platform is subject to all other provisions of this chapter.

(AO No. 2020-55, § 3, 10-1-20)