



City of Palm Springs

Department of Finance and Treasury, Room Tax Division

3200 E. Tahquitz Canyon Way • Palm Springs, California 92262
Tel: (760) 323-8226 • Fax: (760) 322-8344 • Web: www.palmspringsca.gov

TOT Taxability of Extras Fees and Charges Such as Resort Fees

City of Palm Springs

Administration of City Municipal Code Chapter 3.24 Transient Occupancy Tax

Pursuant to Section 3.24.020 of the Palm Springs Municipal Code, all fees or charges that are suggested as mandatory for the privilege of occupancy should be considered taxable for the transient occupancy tax (TOT). If suggested as mandatory, such shall include but not be limited to: resort fees (in its entirety), reservation fees, energy surcharge, no show fees, attrition fees, cancellation charges, late check-out fees, trade in lieu of rent, cleaning fees, extra person(s) charges, pet in room fees, rollaway bed charges, parking or valet charges, furnishings, appliances, etc. However, California Tourism and BID assessments charged to the guest shall not be considered taxable for TOT.

A fee does not become exempt from TOT merely by making it a separate line-item charge. However, if a resort fee includes items that are subject to sales tax, and the hotelier or vacation rental proprietor does not want to have TOT also assessed on those items (such as for food, water, coffee, tea, etc.), then those sales tax related items may be removed from the resort fee, line-itemed out, and not taxed for TOT.

Any charge elected by the guest is not taxable. If wholly elective, such may include: parking or valet charge, in-room service charges (i.e. meals, telephone calls and long-distance calls, internet connection fees, massages), day use pass fees (for the use of a pool, athletic facility, or other services not associated with the use of the room), and meeting room charges. Also, charges for repairs and damages are not taxable. Examples include a refundable security deposit, pet damage fees, and smoke damage fees.