



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

PALM SPRINGS ROOM TAX ORDINANCE CH. 3.24 (Condensed from Transient Occupancy Tax Ordinance Ch. 3.24)

1. Before engaging in business as an Operator of a hotel renting to transients, a Transient Occupancy Registration Permit must be obtained. The permit fee is \$25.00.
2. The room tax rate is 11.5% and applies to the hotel room rental charges, including any extras for kitchen facilities, additional furnishings, appliances, etc. The room tax rate is 13.5% for Group Meeting Hotels.
3. The tax must be charged to the guest and may not be absorbed by the Operator. However, if the Operator willfully or negligently fails to collect the tax, he is responsible for payment to the City.
4. The tax applies only to transients. A transient is a guest who stays 28 consecutive days or less.
5. If a guest stays longer than 28 consecutive days, he is not a transient and no tax may be charged. If tax was collected or charged for the first 28 days, it must be credited to the guest's account or refunded.
6. At the time of registration, a guest is required to sign a register or a registration card which is to be retained on the premises and available for inspection by City authorities at all times.
7. Records should be maintained of all room rentals and tax charges in such form and manner that tax returns may be readily verified by the City Auditor. These records are to be retained on the premises for a period of four (4) years.
8. Transients that are exempt from the Transient Occupancy Tax include: Federal Government employees on active assignment, Federal Credit Union members conducting official business, and those persons holding Diplomatic immunity. Please check with the City's Room Tax Division before exempting anyone else.
9. Reports of total, exempt, and taxable room revenue and tax are required to be filed with the City monthly. Amounts claimed as exempt are to be itemized and explained on the tax return or supporting schedule. Returns are delinquent and subject to penalty and interest charges if not received at City Hall on or before the last working day of the month as specified on the room tax form. Postmarked dates do NOT have any effect on whether or not a tax return is delinquent. The return must be signed by the Operator or his agent. A penalty of 10% of the tax due, or \$50.00, whichever is greater, and interest at 1% per month is charged on late returns.
10. The City must be notified at least 10 days prior to the sale of a hotel or cessation of business.
11. The Operator is not responsible for payment to the City of the amount of room tax included in uncollectable accounts and worthless checks.
12. Business expenses (credit card discounts, travel agent fees, etc.) are not deductible from taxable room rentals in determining the tax due.
13. The Operator of a transient hotel is the custodian of City Room Tax Trust Funds and is responsible for delivery of such funds to the City. Failure to comply with any provision of the Ordinance may result in the suspension or revocation of the Operator's Permit, closure of the hotel, and other penalties.

Please contact the City of Palm Springs Room Tax Division at City Hall if you have any questions, (760) 323-8226.