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MONTGOMERY COUNTY CONVENTION FACILITIES AUTHORITY

HOTEL-MOTEL EXCISE TAX

FREQUENTLY ASKED QUESTIONS

Under What Authority Is the Tax Collected and Administered?

On December 3, 2020, the Board of Directors of the Montgomery County Convention Facilities Authority (the “MCCFA”) approved imposition of a Hotel Lodging Excise Tax (the “lodging tax”) through a Code of Regulations adopted in Resolution No. 2020-13, pursuant to the authority granted to it under Chapter 351.021(C)(3) of the Ohio Revised Code. The Excise Tax Resolution can be found at <https://montgomerycountycfa.org/hotel-tax-administration/> .

When Did the Lodging Tax Begin?

The Lodging Tax was effective for guest stays beginning March 1, 2021.

What Is the Lodging Tax Rate?

The tax rate is 3.0%.

Who Pays the Lodging Tax?

Hotel-motel owners within Montgomery County, Ohio are to include the lodging tax on the guest bill at the time the lodging is furnished. Therefore, in most instances, the lodging tax will be paid by the guest. However, if the hotel-motel owner does not collect the tax from the customer, the owner is responsible for payment of the lodging tax. “Hotel-motel” is defined as a place where five or more sleeping accommodations are offered to guests, even if the rooms are in separate structures. If a business has less than five rooms, the lodging tax is not applicable.

Are There Exemptions?

Yes, there are three exemptions, and a guest must qualify for only one of the three exemptions. They are:

1. If a room is occupied for 30 or more consecutive days by the same guest(s). (If a guest moved rooms within the same hotel-motel within the 30 consecutive days, the exemption is allowable.)
2. Rooms used by federal government employees, if the room is paid by direct billing to a department or agency of the federal government.
 - a. The credit card must be issued by the federal government and not a personal credit card where the guest would seek reimbursement from the federal government for their travel expenses.
 - b. The sixth digit of the credit card must be a 6, 7, 8, 9 or 0.
 - c. The record of the lodging tax exemption must be auditable (i.e., provide proof of the qualifying sixth digit).
3. Rooms used only for meetings, events, or seminars.

Are Tax-Exempt Organizations Exempt from the Lodging Tax?

No. Exemptions from, for example, sales tax, nonprofit, charity or 501(c)(3), do not qualify for a lodging tax exemption.

How Do I Let the MCCFA Know When an Exemption Has Been Claimed?

For each qualified stay, the owner must complete, sign, and submit a Tax Exemption Certificate. A copy of the Tax Exemption Certificate must accompany all filings when an exemption is claimed. However, the MCCFA will accept a spreadsheet in lieu of the Tax Exemption Certificate if the same information from the certificate is entered on the spreadsheet. The Tax Exemption Certificate and spreadsheet template can be found at <https://montgomerycountycfa.org/hotel-tax-administration/>. All columns must be completed on the spreadsheet.

Exemption Certificates can be filed electronically if the hotel-motel is paying using ACH electronic payment. Tax Exemption Certificates or the completed spreadsheet for payment by check are mailed to the MCCFA, 22 E. Fifth St., Dayton, OH 45402. However, if the hotel-motel is paying electronically and using the spreadsheet template, the completed spreadsheet can be emailed to info@montgomerycountycfa.org or mailed to the address above.

When Is the Lodging Tax Due?

The Lodging Tax is due in full no later than the last day of the month following the stay. For example, the lodging tax is due on or before April 30 for all stays in March.

How Do I Pay the Lodging Tax?

There are two accepted methods, as follows:

- By Check - Checks are made payable to MCCFA and mailed to MCCFA, 22 E. Fifth St., Dayton, OH 45402.
- By ACH – The ACH lodging tax submittal form is found at <https://montgomerycountycfa.org/hotel-tax-administration/> . ACH requires a bank routing number and bank account number. Credit cards are not accepted. The service is free to the hotel-motel.

What Happens If the Lodging Tax Payment Is Late?

Failing to report and/or pay lodging taxes on time could result in interest, fines, and penalties being assessed.

How Do I Find the MCCFA Account Number?

The MCCFA account number begins with CFA-XXX. Please contact the MCCFA at 937-535-5309 or email info@montgomerycountycfa.org for assistance.

Will The Lodging Tax Returns Be Checked?

Yes, the MCCFA will review records to determine if the proper amount of tax has been calculated and remitted. Your records are open to inspection by the MCCFA during regular business hours.

What Records Are Required?

Each hotel-motel shall maintain and keep complete and accurate records of rents, together with a record of the tax collected thereon, which shall include:

- Primary records such as all guest or rent registers; rent invoices, statements or bills, rent payments and/or refunds; room rate sheets or cards of prices per day of each room, income tax returns and Ohio sales tax returns; lodging tax returns along with exemption certificates; cash register tapes and all other pertinent documents.
- Secondary records such as bank deposit receipts and day books, journals, or any other records, plus the detailed records from which the data was accumulated.
- Guest or rent invoices; statements or bills and cash register tapes for taxable rents must have the total taxable rent and the tax charged and collected separately stated. These amounts are to be accumulated and recorded in a secondary record.
- Rent invoices must also clearly show the length of stay in terms of consecutive days, for each guest.

- All records are to be kept for at least four years.

Change of Ownership

The owner selling the business should file a return within 15 days after selling or quitting the business. If payment is not sent with that filing, the new owner should withhold a sufficient amount of purchase money to cover the amount due, and then submit payment by the date due. If the purchaser does not withhold funds from the purchase money for past lodging tax obligations, he/she will be personally responsible for the payment of taxes, interest, and penalties occurred and unpaid during the operation of the business by the former owner.

Temporary Closure of Hotel-Motel

If the hotel-motel will be closed for any reason and not collect rent (e.g., natural disaster, renovation), please send notice in writing or by email to: MCCFA, 22 E. Fifth St., Dayton, OH 45402, info@montgomerycountycfa.org. In the notice, please include the date of closure and estimated re-opening date.

Is This Lodging Tax Different and Separate from the Montgomery County Board of Commissioners?

Yes. The Montgomery County Board of Commissioners also collects a 3% lodging tax under separate authority. Information can be found at https://www.mcohio.org/departments/office_of_management_and_budget/hotel_motel_tax_administration.php.

Contact Us

Physical Address | 22 E. Fifth St., Dayton, OH 45402

Telephone | 937-535-5309

Email | info@montgomerycountycfa.org

Website and Get In Touch Form | <https://montgomerycountycfa.org/>

Newsletter Sign Up | <https://myemail.constantcontact.com/MCCFA-Quarterly-Newsletter-1st-Edition-Revised.html?soid=1138974069204&aid=evfUWdmN1x8>

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