FAQs - HOTEL OCCUPANCY TAX (HOT)

This is a quick guide to frequently asked questions only and is not a complete listing of Hotel Occupancy Tax regulations. If you have more questions, please contact us at 512-581-4074. If you have legal questions, please visit the state's website at https://comptroller.texas.gov/taxes/hotel/ or contact your attorney or accountant for advice.

Definition of Hotel Occupancy Tax (HOT)

Hotel Occupancy tax is a tax on the short term rental of rooms for stays less than 30 days that the city, county, state or country may require; it is a percentage of the price of accommodations and any additional fees like cleanings or extra guests. An occupancy tax can also be referred to as a lodging tax, a room tax, a sales tax, a tourist tax, or a hotel tax.

Who has to collect these taxes?

Short term rentals. Any lodging property which rents a bed for less than 30 consecutive days must collect the taxes and remit to the state, and locally to Bastrop County and sometimes municipalities (Bastrop, Elgin and Smithville). This includes, but is not limited to, hotels, motels, cottages, cabins, bed and breakfasts, country homes, vacation rental homes such as AirBnB, glamping tents which include a bed, tree houses, condominiums, garage apartments, a room in a owner-occupied house, etc., if the stay is less than 30 consecutive days.

How much are these taxes?

It depends on your location. Your location within the county will determine the percentage of HOT you will need to collect. *See chart to right.*

*DEFINITION OF ETJ =
Extraterritorial Jurisdiction.
Property that isn't in the city limits but which may be subject to regulation by a city, along with any county and state regulations. Those properties in an ETJ are subject to Hotel Occupancy Taxes by the State, County and City.

If the lodging property is outside a city limit or ETJ*	
To the State of Texas	6%
To Bastrop County	7%
If the lodging property is inside a city or ETJ*	
To the State of Texas	6%
To Bastrop County	0.75%
To the City	7%

How do I find out if my property is located in an ETJ?

Online, go to the county map at https://bit.ly/2IBR2xh and type your address in the search bar near the top of the page. A pop up box will give you more information. Each town has an 1-mile ETJ. Those in the western part of Bastrop County should always check because the City of Bastrop has an extremely large ETJ that reaches the county line to the west and encompasses parts of the Cedar Creek and the Red Rock areas. City of Bastrop EJT Map

If you are still unsure, please contact Bastrop County Tourism & Economic Development at 512-581-4074 and we will look it up for you.

Below are examples of Hotel Occupancy Tax (HOT) in Bastrop County.

TAX COLLECTION EXAMPLE: Not in a city limits, but in an ETJ.

If the property's address is in the country, but it is located in the city's ETJ, you will need to collect 6% for the state, 0.75% for the county, and 7% for the city. Total HOT collection 13.75%.

TAX COLLECTION EXAMPLE: In the county, but not in a city limits or an ETJ.

If the property is outside the city limits, yet the address is in the city, if the pop up box says Bastrop County with jurisdiction "Boundary", it is not in any ETJ. You would collect 6% for the state and 7% for Bastrop County. Total HOT collection 13%.

TAX COLLECTION EXAMPLE: Within a city limits.

If the property resides inside the city limits. You would collect 6% for the state, 0.75% for the county, and 7% for the city. Total HOT collection 13.75%.

These are examples only. It is your responsibility to collect the correct amount of taxes. If you are unsure, please contact us and we will look up your address.

11/20/2019

After I collect the tax, how and when do I pay these taxes?

STATE OF TEXAS:

Collect the taxes and follow these guidelines: https://comptroller.texas.gov/taxes/hotel/

STATE OF TEXAS: AirBnB and Homeaway ONLY

Please note that the AirBnB and Homeaway are collecting State HOT and remitting to the State only. You will still need to collect and remit to the County and City as required.

AirBnB FAQs: https://comptroller.texas.gov/taxes/hotel/airbnb-faq.php

Homeaway FAQs: https://comptroller.texas.gov/taxes/hotel/homeaway-faq.php

---

BASTROP COUNTY:

Collect the taxes. Submissions to the County are to be made quarterly to the County Treasurer. Most people send in their completed tax form (Report of Hotel Occupancy Tax – County of Bastrop) with a check, though you can pay online and either mail the completed tax form to the Treasurer's Office, 804 Pecan St., Bastrop TX 78602, or fax the form to 512-581-7136.

County Tax Forms and instructions: https://www.co.bastrop.tx.us/page/tr.treasurer

CITY/MUNICIPALITY:

Collect the taxes. Contact the City of Bastrop, Elgin or Smithville if your property is within their city limits or ETJ to find out the procedure to pay the City. Links to information are below.

<div align="center">

City of Bastrop   City of Elgin   City of Smithville

</div>

Do I have to collect taxes on cleaning fees for my short-term rental property?

YES. Anything the host requires the guest to pay, including cleaning, pet fee, extra person fee, rollaway bed fee, etc. whether stated separately or rolled in to the overall price of the accommodation, is subject to the tax. Basically, if it's a non-negotiable, nonrefundable fee that's mandatory in order to use the rental, it's generally taxable.

Items such as optional laundry service are not subject to HOT in Texas, but may be subject to other taxes.

Do I have to collect taxes if the lodging is included free in an all-inclusive contract for other services, such as a wedding or event?

YES. Hotel occupancy tax is due on all charges for items or services connected with occupying a room. If, however, a hotel provides an all-inclusive package (such as a package including meals, drinks, admission to tourist attractions or any other benefits unrelated to the room rental) for a lump-sum charge, hotel occupancy tax is due on the entire amount. Only separately stated meals, drinks and amusement service charges on the customer's bill or contract are not subject to Hotel Occupancy Tax. LINK to Texas Comptroller of Public Accounts' Tax Policy News.

AirBnB and HomeAway already collect HOT for my vacation rental home listing, do I need to collect HOT?

YES. Some vacation home rental companies are only collecting State taxes per agreement. In Bastrop County, you are still subject to a county tax that must be collected and paid directly to the County Treasurer. City taxes will need to be collected for the cities also if you are within the city limits or ETJs of Bastrop, Elgin or Smithville.

> *See "After I collect the tax, how do I pay these taxes?" on the prior page for collection & payment specifics.*

If AirBnB and HomeAway collect State taxes online, how do I collect Hotel Occupancy Tax for the County and City?

Go to your contracted rental website and look in their Help section or contact them; you may be able to add the tax rate into the online payment form. If you are not allowed to collect the taxes online via the rental website, you will still need to collect the taxes from your renters.

AirBnB: https://www.airbnb.com/help/article/1036/how-does-occupancy-tax-collection-and-remittance-by-airbnb-work

Homeaway: https://help.homeaway.com/articles/How-do-I-add-or-edit-my-tax-rate

If I am renting to a state employee, do I have to collect taxes?

YES. A state employee is not exempt from paying a state, county or municipal/city Hotel Occupancy Tax collected by a commercial lodging establishment. However, a federal employee may be exempt. There are other exemptions, but the renter must provide you with an exemption form (Form 12-302) and their identification or exemption cards at the start of the stay. Here is a complete list of the exemptions and what is required to accept it: https://comptroller.texas.gov/taxes/publications/96-224.php

Is my place a commercial lodging establishment if I only rent out a room or my home during times of special events, such as F1 or SXSW?

YES. If you are renting a bed(s) for payment, you are considered a commercial lodging establishment with all the regulations that apply.

If no one stayed at my property this month or quarter, do I need to file reports?

YES. Returns must be filed for every period even if you have no amount subject to tax or no tax due. Just put zeros in the appropriate places on the form.

Do I need to file paperwork with the county to start my lodging establishment?

YES. You need to file an Assumed Name Certificate (aka DBA or Doing Business As) with the County Clerk if you are doing business of any kind in Bastrop County. You won't be able to get a bank account in that name without one.

Why does the county charge HOT?

The State of Texas and the municipalities/cities typically charge Hotel Occupancy Taxes to promote tourism and the convention and hotel industry. In 2011, Bastrop County approved the tax rate, which allowed the county to establish a tourism marketing program for all Bastrop County lodging properties with the goal of increasing "heads in beds."

Part of that marketing includes placing your Lodging property on the Bastrop County tourism website at https://explorebastropcounty.com/ where we also list Attractions, Things to Do, Restaurants, Retail, Tours and more. Contact us at 512-581-4074 to be included free on our website.

11/20/2019