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MEMORANDUM

MEMO TO: Hotel/Motels  
DATE: January 2, 2015  
FROM: Jenneth Randall, Audit Manager *Jenneth Randall*  
SUBJECT: Reminder Regarding Exemptions from the Occupancy Tax

As noted on the back of the monthly Hotel Motel Occupancy Privilege Tax return mailed to each hotel/motel operator each month, **exemptions from the County and City Occupancy Tax are limited to:**

- **Non-Transients** – Persons who exercise occupancy or are entitled to occupancy for any room for a period of **90** consecutive days for County occupancy tax purposes and **30** consecutive days for City purposes. (These persons are due credit or reimbursement for taxes previously collected from the hotel; the hotel may request this credit on subsequent return or a check reimbursement from the County Trustee for any occupancy taxes previously remitted.)
- **Federal Government or State of Tennessee** – Employees of the Federal Government (and its agencies) or the State of Tennessee (and its Political Subdivisions) **are exempt** when:
  - Room charges are either billed directly to the applicable government or are paid using a government credit card; or
  - Room charges are paid by the applicable government employee with cash, personal check or personal credit card. In these cases, the hotel/motel operator must obtain from the employee both a copy of the employee's government ID card and a signed dated statement from the Federal government or State of Tennessee government documenting that the employee is traveling on government business and has or will be reimbursed by the government for the cost of the occupancy.

Examples of **agencies of the Federal government** that are exempt from the occupancy tax include TVA, the U.S. Army, the FBI, the CIA, Federal credit unions, etc.

Examples of **Political Subdivisions of the State of Tennessee** include Tennessee County and City governments, Tennessee County Public Schools, Tennessee Public Universities (such as UTC and UTK), etc. States other than Tennessee are not exempt and **must be charged** the occupancy tax.

All churches, non-profit organizations (such as the American Red Cross), private schools and private colleges **must be charged** the occupancy tax.

I hope this helps to clarify any misunderstandings regarding exemptions from the Occupancy Tax. If you have further questions, feel free to contact me at 209-6200.