

HOTEL ROOM REVENUE EXEMPTIONS					
Description	Tax Exempt?	Time Period	Documentation Required	Additional Comments	Authority
<b>Non-Transient:</b>					
1. Can a guest be considered non-transient?	Yes	30 consecutive days	Records showing room rental of 30 or more consecutive days, OR written agreement or notice of intent to stay for at least 30 consecutive days and proof a room was rented for the next 30 consecutive days	Texas law provides a permanent resident exemption for persons who have the right to occupy a room for 30 or more consecutive days. To qualify, non-transients (permanent residents) may either occupy a room for 30 or more consecutive days (pay tax on first 30 days, but exempt thereafter); OR enter into written agreement with the hotel or give the hotel written notice of intent to stay at least 30 consecutive days and have right to occupy room for the next 30 consecutive days (exempt beginning date of notice or agreement). Any interruption in occupancy voids the exemption. Checking a guest out and immediately back in is NOT an interruption of the guest's right to occupy a room.	Tex. Tax Code §156.101; 34 Tex. Admin. Code §3.161
2. Can Corporations, Partnerships, and LLCs qualify as non-transient?	Yes	30 consecutive days	Records showing room rental of 30 or more consecutive days, OR written agreement or notice of intent to stay for at least 30 consecutive days and proof a room was rented for the next 30 consecutive days	The hotel must invoice and be paid by the same person (corporation, partnership, LLC, etc.); the exemption is not dependent on the same natural person occupying the room or that the same room be rented each night.	Tex. Bus. & Com. Code §1.201(b)(27); 34 Tex. Admin. Code §3.161; and STAR Accession No. 6003A0156E03
3. Can Airline Crew Rooms qualify as non-transient?	Yes	30 consecutive days	Contract showing rental of room(s) for more than 30 consecutive days	The exemption applies to the number of rooms specified in the contract and rented for at least 30 consecutive days. For a range of rooms, the exemption only applies to the lowest number of rooms in the range plus any additional rooms rented at least 30 consecutive days. Different crew members may occupy different rooms; however, the same number of rooms must be rented for at least 30 consecutive days to be exempt.	34 Tex. Admin. Code §3.161
4. Is a written contract required for non-transient status?	No	Not Applicable	Records showing room rental of 30 or more consecutive days, OR written agreement or notice of intent to stay for at least 30 consecutive days and proof a room was rented for the next 30 consecutive days	If there is no written agreement or notice, a guest can become exempt on the 31st consecutive day of occupancy and will remain exempt until there is an interruption in occupancy; however, tax is due on the first 30 days and the guest is not entitled to a refund.	34 Tex. Admin. Code §3.161
5. After guests have met non-transient requirements...					
a. Can taxes be refunded from the first date of stay?	Yes*	30 consecutive days	Written notice of intent to stay for at least 30 consecutive days with record showing room rented for 30 or more consecutive days	Hotel may refund tax back to date hotel received written notice of intent to stay for 30 or more days <i>*otherwise, the first 30 days are taxable</i>	34 Tex. Admin. Code §3.161

b. Is a hotel required to collect taxes from Day One if a written contract exists?	No	30 consecutive days	Copy of contract or notice for stay of 30 or more consecutive days	Even with contract/written notice, the hotel can be held liable for hotel tax if the guest fails to pay for 30 consecutive days. The hotel may wish to collect tax for first 30 days, then refund or credit the tax.	Tex. Tax Code §156.053; 34 Tex. Admin. Code §3.161
<b>Federal, State, Local Government:</b>					
6. Federal government employees qualify for exemption if:					
a. Payment made directly by agency?	Yes	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302) and proof of direct payment by agency	Federal government agencies are exempt from state and local hotel tax. Examples of direct payment include an agency purchase order, agency credit card, agency debit card, agency check, or direct billing. Any person may physically occupy the room.	Tex. Tax Code §156.103(a); 34 Tex. Admin. Code §3.161
b. Payment made by agency employee who is reimbursed by agency?	Yes	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302); to accept certificate in good faith, a valid government ID must be presented	Employees traveling on official business are exempt from state and local hotel taxes; manner of payment does not affect the exemption.	Tex. Tax Code §§156.103(a) and 156.104(a); 34 Tex. Admin. Code §3.161
7. State government employees qualify for exemption if:					
a. Payment made directly by agency?	No	Not Applicable	Texas state agencies do not claim exemption with the hotel	Texas state agencies can apply with the Comptroller for a rebate of hotel taxes paid to hotels or reimbursed to employees. See 7.c. for exemption for designated state officials and employees.	
b. Payment made by employee who is reimbursed by agency?	No	Not Applicable	Most Texas state employees cannot claim exemption with the hotel	Most Texas state employees must pay hotel tax. A state employee whose agency uses the Texas Uniform Statewide Accounting System (USAS) is automatically reimbursed through the employee's travel voucher for hotel taxes paid by the employee. A state agency that does not use the USAS must request a refund directly from the Comptroller and local taxing jurisdictions for state and local hotel taxes.	Tex. Tax Code §§156.103(b) and 156.154; 34 Tex. Admin. Code §3.163
c. Employee is a designated Texas state official?	Yes	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302) and designated Texas state official's Hotel Occupancy Tax Exemption Photo ID or Card	Designated Texas officials - mostly heads of state agencies, district attorneys, district and appellate court judges, members of state boards and commissions, and the Texas Legislature - are exempt from state and local hotel tax.	Tex. Tax Code §§156.103(d) and 156.104(a); 34 Tex. Admin. Code §3.161
8. Other states' government employees	No	Not Applicable	Not exempt	Agencies from other states and their employees are not exempt.	Tex. Tax Code, Chapter 156, Subchapter C-- Exceptions to Tax
9. Local government employees	No	Not Applicable	Not exempt	Local government agencies and their employees are not exempt.	Tex. Tax Code, Chapter 156, Subchapter C-- Exceptions to Tax

10. Foreign Missions and Diplomats	Yes	Not Applicable	Tax Exemption Card issued by the U.S. Department of State and a completed Hotel Occupancy Tax Exemption Certificate (Form 12-302)	Foreign missions and diplomats that have received a hotel tax exemption from the Office of Foreign Missions, U.S. Department of State, are exempt from state and local hotel tax.	34 Tex. Admin. Code §3.161
<b>Other:</b>					
11. Non-profit organizations - 501(c)(3) Organizations	No	Not Applicable	Not exempt	501(c)(3) organizations are not exempt.	Tex. Tax Code, Chapter 156, Subchapter C-- Exceptions to Tax
12. Religious and Charitable Organizations	Yes	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302); to accept exemption certificate in good faith, copy of Comptroller's letter of exemption or name on Comptroller's list of exempt entities is required	Exempt from 6% state hotel tax only; any local hotel tax imposed must be paid. Employees traveling on official business are also exempt. The method of payment by the employee is immaterial; however, non-employees must pay with exempt organization funds (check, credit card, or direct billing).	Tex. Tax Code §§156.102, 156.104(a), 351.006, and 352.007; 34 Tex. Admin. Code §3.161
13. Public Schools (elementary and secondary):					
a. In-state	Yes	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302); to accept exemption certificate in good faith, copy of Comptroller's letter of exemption or name on Comptroller's list of exempt entities is required.	In-state and out-of-state public schools are considered educational organizations for hotel tax purposes and are exempt from 6% state hotel tax; any local hotel tax imposed must be paid.	Tex. Tax Code §§156.102(a), 156.104(a), 351.006, and 352.007; 34 Tex. Admin. Code §3.161
b. Out-of-state	Yes	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302); a Comptroller's letter of exemption as an educational organization is not required, but the organization may have one.		
14. Nonprofit Private Schools (elementary and secondary):					
a. In-state	Yes*	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302); to accept exemption certificate in good faith, copy of Comptroller's letter of exemption or name on Comptroller's list of exempt entities is required.	In-state and out-of-state nonprofit private elementary and secondary schools are considered educational organizations for hotel tax purposes and are exempt from 6% state hotel tax; any local hotel tax imposed must be paid. <i>*For-profit private elementary and secondary schools are not exempt.</i>	Tex. Tax Code §§156.102(a), 156.104(a), 351.006, and 352.007; 34 Tex. Admin. Code §3.161
b. Out-of-state	Yes*	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302); to accept exemption certificate in good faith, copy of Comptroller's letter of exemption or name on Comptroller's list of exempt entities is required.	In-state and out-of-state nonprofit private elementary and secondary schools are considered educational organizations for hotel tax purposes and are exempt from 6% state hotel tax; any local hotel tax imposed must be paid. <i>*For-profit private elementary and secondary schools are not exempt.</i>	Tex. Tax Code §§156.102(a), 156.104(a), 351.006, and 352.007; 34 Tex. Admin. Code §3.161

15. Public and Nonprofit Private Universities and Colleges (institutions of higher education):					
a. In-state	Yes	Not Applicable	Completed Hotel Occupancy Tax Exemption Certificate (Form 12-302); to accept exemption certificate in good faith, copy of Comptroller's letter of exemption or name on Comptroller's list of exempt entities is required.	In-state public and nonprofit private universities and colleges are considered educational organizations for hotel tax purposes and are exempt from 6% state hotel tax; any local hotel tax imposed must be paid.	Tex. Tax Code §§156.102(a), 156.104(a), 351.006, and 352.007; 34 Tex. Admin. Code §3.161
b. Out-of-state	No	Not Applicable	Not exempt	Out-of-state public and nonprofit private universities and colleges do not qualify as educational organizations for hotel tax purposes and are not exempt from hotel tax.	Tex. Tax Code §156.102(b)(2)
16. Scientific Organizations	No	Not Applicable	Not exempt	Scientific organizations are not exempt from hotel tax.	Tex. Tax Code Chapter 156, Subchapter C--Exceptions to Tax

**Texas Tax-Exempt Entity Search: Charitable, educational, religious, and nonprofit organizations that have been issued a letter of tax exemption are listed on the Comptroller's website at: [comptroller.texas.gov/taxinfo/exempt/exempt\\_search](http://comptroller.texas.gov/taxinfo/exempt/exempt_search)**