

CITY OF MODESTO

EXEMPTIONS TO TRANSIENT OCCUPANCY TAX (TOT)

Section 8-2.604 of the Modesto Municipal Code states that no Transient Occupancy Tax shall be imposed upon:

- (a) Any person as to whom, or any occupancy as to which it is beyond the power of the City to impose the tax herein provided:
- (b) Any officer or employee of a foreign government who is exempt by reason of express provisions of federal law or international treaty.
- (c) Any officer or employee of the United States Government, or of a federal credit union, or of a state, county, city or other domestic public entity who pays rent in the discharge of official government business.
- (d) Any officer or employee of a bank or insurance company who pays rent in the discharge of official bank or insurance company business.
- (e) Rent paid to any hospital, medical clinic, convalescent home or other temporary or permanent domicile equipped primarily for the care of aged or infirm people.
- (f) Any person, transient or operator upon whom the tax would not have been imposed by application of definitions in Section 8-2.602 as they were prior to this amendment.

No exception shall be granted except upon a claim therefore made at the time rent is collected and under penalty of perjury upon a form prescribed by the Tax Administrator.

“Transient” means any person who exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement for a period of twenty-seven (27) consecutive calendar days or less, counting portions of calendar days as full days. Any such person exercising occupancy shall be deemed a transient until the period of twenty-seven (27) days has expired unless there is an agreement in writing between the operator and the occupant providing for a tenure of greater than twenty-seven (27) days for compensation.

TYPICAL EXEMPTIONS **NOT** ALLOWED

- ▶ Non-Profit Employees or Representatives

EXEMPTION(S) ALLOWED

Section 28 (f) or Article XII of the California constitution provides that insurance companies which are subject to the California Gross Premiums Tax are exempt from taxes (except real property taxes) imposed by municipalities and counties of California. In order to qualify for exemption from City’s Transient Occupancy Tax, patron must pay hotel occupancy with insurance company check or credit card. Proof of such payment shall accompany exemption form submitted by the hotel/motel operator when reporting gross earnings.

For additional information regarding transient occupancy tax, please call (209) 577-5389.