



TRANSIENT OCCUPANCY TAX MANUAL

CITY OF NAPA

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TRANSIENT OCCUPANCY TAX MANUAL
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TRANSIENT OCCUPANCY TAX

GENERAL INFORMATION

Transient Occupancy Tax Rate:	12% of gross rent
Napa Valley Tourism Improvement District Assessment: (Does not apply to Vacation Rentals)	2% of gross rent
Remittance Due Dates:	Monthly, on the 10 th day of each month
Delinquency penalty:	10% of the amount of tax due if paid within 30 days of the delinquent date. OR 20% of the amount of tax due if paid more than 30 days after the delinquent date.
Interest:	1% of the amount due for each month or fraction of month after delinquency date.

Remittance Address:
City of Napa
Finance Department
P.O. Box 660
Napa, CA 94559



CITY of NAPA
Business License Tax Application
 955 School St
 P.O. Box 660
 Napa, CA 94559 707-257-9508

Complete all the sections and return to the City with the non-refundable application fee:
 \$127.00 (Business inside City)
 \$ 11.00 (Business outside City)
 \$ 35.50 (Home Occupancy Business)

Your application will be subject to further review and may be referred to PLANNING, FIRE PREVENTION, CODE ENFORCEMENT, BUILDING & POLICE DEPARTMENTS. As part of the approval and clearance processes, inspections may be conducted as necessary. If you are a food establishment operation, a permit from the COUNTY HEALTH OFFICER will also be necessary. In the meantime, you will be issued a Business License certificate. License is being issued for revenue purposes only. It is not a permit to operate a business in violation of City, County, State, and Federal Laws.

Application Type: New Business Address Change effective date _____ Owner Change effective date _____
 Second Branch in City of Napa

Business Name (DBA)	Date business started or will start operating in Napa:
Business Address	Prior business owner and business license number business was purchased from:
Mailing Address (If different from above)	Nature of Business:
Business Phone: () _____ Emergency Phone: () _____	Any other business currently at this location:
Is this business conducted in/from a residence? <input type="checkbox"/> No <input type="checkbox"/> Yes (IF YES, PLEASE COMPLETE FORM HB-1)	
Type of Business > <input type="checkbox"/> Contractor <input type="checkbox"/> Professional <input type="checkbox"/> Manufacturing <input type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Service <input type="checkbox"/> Non-Profit <input type="checkbox"/> Property Rental-number of rental properties or units _____	
Ownership > <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC Soc. Sec. # OR Fed. Tax ID #: _____	
Owner(s) Name: _____	
If Corporation, name of Officer: _____ Owner's Home Phone #: () _____	
Owner's Home Address: _____	
Retail Sales Tax #: _____	Contractor's State License #: _____
Commercial business floor area: _____ sq. ft.	Number of professionals/employees: _____

FOOD: No Yes Health Permit #: _____ ALCOHOL: No Yes Beer/Wine Liquor

Enter estimated gross receipts from business operations in the City of Napa for the first calendar year	\$
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Complete if applicable:
For delivery business without fixed place of business within the City:
 Number of delivery/service vehicles: up to 2 tons: _____ 2 to 3 tons: _____ over 3 tons: _____
 Number of vending machines: \$0.49-\$1.99: _____ \$2.00 & up: _____
 Number of video games or amusement devices: _____

If your business falls under any of the following categories, you will be required to obtain a special permit. (Please ask for information and/or specific forms.)

Ice Cream / Food vendor	Weapons Dealer	Fortune-telling/palm reading	Caregiver Services	Second-Hand Dealer
Card Room Dealer	Vehicle for Hire	Solicitor/Canvasser/Peddler	Massage service	

Non-Profit organizations must provide a copy of their 501(c)3 letter or other proof of non-profit status.

HAZARDOUS MATERIALS (Call Fire Prevention at 257-9590 for assistance.)
This section is to be completed by all applicants with fixed place of business in the City.

1. Does your business use, store, generate, transport, or handle any commodity that might be considered a hazardous material?
 NO YES NOTE: HAZARDOUS MATERIALS ARE explosives, gases, flammable liquids, flammable solids, spontaneously combustible materials that are dangerous when wet, oxidizers and organic peroxides, poisonous or infectious materials, radioactive materials or corrosives.

If Yes, list the commodities and the quantities typically in stock > _____

I hereby certify under penalty of perjury, that the information contained herein is, to the best of my knowledge and belief a true and complete statement.

Date: _____ Signature of Applicant: _____

On September 19, 2012 Governor Brown signed into law SB-1186 which adds a state fee of \$1.00 on any applicant for a local business license or similar instrument or permit, or renewal thereof. The purpose is to increase disability access and compliance with construction-related accessibility requirements and to develop educational resources for business in order to facilitate compliance with federal and state disability laws, as specified. The fees above include this \$1.00 fee.

Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

- The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx.
- The Department of Rehabilitation at www.rehab.cahwnet.gov.
- The California Commission on Disability Access at www.ceda.ca.gov.

FIRE PREVENTION, CODE ENFORCEMENT, PLANNING AND BUILDING ARE LOCATED AT CSB BLDG., 1600 FIRST ST., NAPA, CA.

For Office Use Only (Do Not Write Below This Line)

Fee Base: Gross Quarterly: _____ Gross Annual Sched: _____ Gross Wholesale: _____ Annual Fixed Fee: _____	Other Fees: Promotional: _____ Parking/Prom: _____ Pkg2005/Pro: _____ Oxbow: _____ BOE Code _____	Video Games: _____ Vending Machines: _____ Vehicles: _____ Exempt: _____	ZONE CLEARANCE: () Permitted () Denied By: _____ Date: _____ Building Approval
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HOME-BASED BUSINESS Form HB-1

Community Development Department
1600 First Street
707.257.9530

Finance Department
955 School Street
707.257.9508

Mailing Address
PO Box 660
Napa, CA 94559

1 BUSINESS INFORMATION - *shall match information entered on Business License Tax Application*

BUSINESS ADDRESS: _____

BUSINESS NAME: _____

2 HOME-BASED BUSINESS TYPE - *mark the box for the type of business you are applying for*

Home Occupation
Home occupations are businesses conducted within a residential unit by its residents. The majority of home-based businesses fall under this category.
continue to Box 3A

Cottage Food Operation
Cottage food operations are businesses conducted within the residential unit only as authorized by the California Homemade Foods Act (AB 1616).
continue to Box 3B

3A HOME OCCUPATION

Review the following summary and sign to acknowledge your compliance with these regulations. For a full text of the regulations, refer to Subsection 17.52.240.B of the Zoning Ordinance.

- The business shall not occupy more than 200 square feet of the residence/garage.
- The business shall be conducted entirely indoors.
- The business shall not have any employees other than residents of the household.
- The business shall not have any customers or clients come to the residence.
- The business shall not create noise, odor, glare, or fumes that are discernible from outside.
- The business shall not list the residential address in any advertising, listing, or printed material.
- One commercial vehicle is allowed on the premise and shall be parked inside the garage.
- Wineries Only* - A maximum of eight barrels or 480 gallons per year is allowed.

SIGNATURE: _____

DATE: _____

3B COTTAGE FOOD OPERATION

Review the following summary and sign to acknowledge your compliance with these regulations. For a full text of the regulations, refer to Subsection 17.52.105.D of the Zoning Ordinance.

- The business shall not occupy more than 200 square feet of the residence/garage.
- The business shall be conducted entirely indoors.
- The business shall not have any employees other than residents of the household.
- The business shall not have any customers or clients come to the residence.
- The business shall not have any signage or advertisement identifying the residential address.
- One commercial vehicle is allowed on the premise and shall be parked inside the garage.
- On-site dining or tasting events for customers are prohibited.
- Application/issuance of permits/registration from the County of Napa is required.

SIGNATURE: _____

DATE: _____

4 PROPERTY OWNER INFORMATION - *only complete if the business owner is not the property owner*

OWNER NAME: _____ OWNER PHONE: _____

OWNER SIGNATURE: _____ DATE: _____



Finance Department

INSTRUCTIONS FOR REGISTERING A HOTEL

Within 30 days of opening a hotel in Napa, each hotel operator must notify the Finance Department that a hotel is in operation and submit a Transient Occupancy Registration Form. The hotel operator should advise the City in writing of the hotel's name, address, phone number and contact person. Finance staff will verify that a valid business license has been issued.

Registration is required only one time for each hotel. If there is a Change of Operator or Ownership a new Registration Form is required.



Transient Occupancy Tax Registration Form

IMPORTANT: Change of Operator/Ownership requires a new form.

Business Name: _____ **Business Phone #:** _____

Physical Address: _____ **Zip Code:** _____

Mailing Address: _____ **Zip Code:** _____

Website Address: _____ **Business Fax #:** _____

Type of Establishment (Circle One):

Hotel Motel Resort Bed & Breakfast Non-Hosted Vacation Rental
Hosted Vacation Rental Other

Year business established at this address: _____ **# of Rooms** **Rate**

Accounting records maintained on premises? Yes / No _____ @ \$ _____

If not, indicate where records may be examined? _____ @ \$ _____

Name: _____ @ \$ _____

Address: _____ **TOTAL ROOMS**

Type of Ownership (Circle One):

Individual Partnership Corporation Limited Liability Company

Owner(s) Name(s): (list principals: President, Vice President, Secretary, Treasurer)

Name Title Address Phone #

NOTE: If owner does NOT operate business, please provide the following information:

Name of Manager/Operator: _____ **Phone #:** _____

Address: _____ **Zip Code:** _____

Signature (of person completing this form) **Title** **Date**

PLEASE COMPLETE ALL SECTIONS, SIGN AND RETURN THIS FORM TO THE ADDRESS BELOW.



Finance Department

INSTRUCTIONS FOR COMPLETING A TRANSIENT OCCUPANCY TAX AND NAPA VALLEY IMPROVEMENT DISTRICT ASSESSMENT RETURN

On the 10th day of each calendar month, each operator shall file a return to the city declaring the total rents charged and received and the amount of tax collected for transient occupancies for the month next proceeding the previous month. A return will need to be filed even if total rents charged and received equal zero. At the time the return is filed, the full amount of the tax collected shall be remitted to the city. The Return and remittance must be received by the 10th day of each calendar month. Postmarks will not be accepted. If the return is filed after the proper due date, the appropriate penalties and interest must be remitted with the return.

Example: A return for rents charged & received for January would need to be filed and TOT remitted to the City by March 10th

CITY OF NAPA – FINANCE DEPARTMENT
 955 School Street
 Mailing Address: P.O. Box 660, Napa, CA 94559-0660
 (707) 257-9508
 Updated 04/06/16

**MONTHLY TRANSIENT OCCUPANCY TAX AND NAPA VALLEY TOURISM
 IMPROVEMENT DISTRICT ASSESSMENT RETURN**

Business Name and Address: _____

Month of: _____

*Return is due no later than the 10th day of the calendar month following the month subsequent to the reporting period
 (Example: The report for the month of October is due and payable no later than December 10th).*

1	TOTAL NUMBER OF ROOMS		
2	PERCENT OF OCCUPANCY	%	
3	GROSS RENT FOR OCCUPANCY OF ROOMS		\$
4	Less: Allowable Deductions: (MUST attach City of Napa Exemption Request form)		
4a	Rent for occupancy by permanent residents (one who occupies or was of occupancy more than 30 consecutive days)	\$	
4b	Rent covered by City of Napa government agency exemption. (Must include supporting documentation)	\$	
5	TOTAL ALLOWABLE DEDUCTIONS (lines 4a + 4b))		\$()
6	TAXABLE RENT: (line 3 minus line 5)		\$
7	TRANSIENT OCCUPANCY TAX DUE: 12% of line 6		\$
8	TOURISM IMPROVEMENT DISTRICT ASSESSMENT: 2% of line 6 <i>(Excluding Vacation Rental Units)</i>		\$
9	TOTAL TAX AND ASSESSMENT DUE (lines 7 + 8)		\$
10	PENALTIES		
	10% of line 9 if paid within 30 days of delinquent date OR	\$	
	20% of line 9 if paid more than 30 days after delinquent date	\$	
11	INTEREST	\$	
	1% of Line 9 for each month or fraction of month after delinquency date		
12	TOTAL AMOUNT OWED tax+assessment+penalties+interest (lines 9+10+11)		\$

I declare under penalty of making a false statement that to the best of my knowledge and belief, the statements herein are correct and true.

SIGNED _____ TITLE _____ DATE _____

MAKE CHECKS PAYABLE TO: CITY OF NAPA
 Submit ORIGINAL to City of Napa Retain a COPY For Your Records



Finance Department

INSTRUCTIONS FOR COMPLETING A TRANSIENT OCCUPANCY TAX EXEMPTION REQUEST FORM

A Transient Occupancy Tax Return must be completed on a monthly basis and forwarded to the City of Napa along with the proper remittance. An exemption may be requested by submitting a TOT Exemption Request Form. (Supporting documents must be provided) Applicable exemptions considered are as follows:

1. 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, and only when in the performance of official duties thereof. (NMC Section 3.20.030) *Although the government (state and federal) are generally immune from taxes imposed by local agencies, the immunity does not apply to taxes which are levied upon a person other than the government (even if the government bears the economic "burden" of the tax – such as when the government pays for an employee's legitimate business expenses). Since the City's TOT is imposed upon the occupant (pursuant to NMC section 3.20.020), an occupant who happens to be an employee of the federal or state government is not exempt from the tax.*
2. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty. (A diplomat on official business).
3. Federal Credit Union members on official business.
4. Any occupancy paid for by the American Red Cross when housing disaster victims in a hotel on a temporary basis and/or by American Red Cross staff in the conduct of their emergency operations (City of Napa Council Agenda Summary Report 12F, 11/7/95.)



TRANSIENT OCCUPANCY TAX EXEMPTION REQUEST

I hereby request Exemption from the City of Napa Transient Occupancy Tax based on the following:
Must provide supporting documents

PRINT NAME OF GUEST

SIGNATURE OF GUEST

“**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 30 consecutive calendar days or less, counting portion of calendar days as full days. Any such person so occupying space in a hotel shall be deemed to be a transient until the period of 30 days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy.

Exemptions: 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, and only when in the performance of official duties thereof. (NMC Section 3.20.030)*

1. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty. (A diplomat on official business.)
2. Federal Credit Union members on official business.
3. Any occupancy paid for by the American Red Cross when housing disaster victims in a hotel on a temporary basis and/or by American Red Cross staff in the conduct of their emergency operations. (City of Napa Council Agenda Summary Report 12F, 11/7/95.)

TO THE HOTEL / MOTEL / B&B OPERATOR/ VACATION RENTAL:

1. If the customer does not have the complete identification and written orders as required, collect the transient occupancy tax. Inform the customer that submitting the proper documents directly to the City of Napa Finance Department may result in a refund of their taxes paid or the taxpayer’s appeal rights would be to the City Council pursuant to NMC section 3.20.090.

2. *Exemptions #1

“Although the government (state and federal) is generally immune from taxes imposed by local agencies, the immunity does not apply to taxes which are levied upon a person other than the government (even if the government bears the economic “burden” of the tax – such as when the government pays for an employee’s legitimate business expenses). Since the City’s TOT is imposed upon the occupant (pursuant to NMC section 3.20.020), An occupant who happens to be an employee of the federal or state government is not exempt from the Tax.”

Hotel / Motel / B&B Name _____	Dates of Stay: _____
Address: _____	Phone: _____
Authorized by: _____	Date: _____

NOTE: PLEASE SUBMIT WITH YOUR MONTHLY TAX RETURN.

Common Guest Fees Subject to TOT

1. No-Show Fees:

A No-Show Fee is charged when the potential guest breaches the contract he entered into when the reservation was made. By giving the lodging provider his credit card number, he is authorizing him to charge one nights rent (or however many days were agreed) as liquidated damages for a breach of the contract. And if the potential guest is charged "rent" then he must also be charged TOT.

2. Attrition / Cancellation Fees for Group Bookings:

Same as No-Show Fees except that whereas these fees relate to an individual guest, Attrition Fees relate to an organization that has booked a series of "sleeping" rooms, meeting rooms and food beverage. The contract generally specifies that an "Attrition Fee" will be charged for any breach with specific liquidated damages. The ratio of sleeping accommodations to total services provided would be the percentage applied to the stated Attrition Fee which would be subject to TOT.

3. Late Check-Out Fees:

A fee charged to a guest who requests to stay later than the stated check-out time. The Fee directly relates to sleeping accommodations and is therefore considered rent and is subject to TOT.

4. Extra Person Charges:

Room rates are generally quoted for double occupancy and any guests exceeding that stated number would be subject to this extra charge. This charge directly relates to sleeping accommodations and is therefore considered rent and is subject to TOT.

5. Resort Fees:

These fees are an additional charge to guests that cover such things as Wi-Fi, use of swimming pool, Gym or any other guest service. If the fee is Non-Optional (if you don't pay, you don't get to stay), then it is just another name for rent. And if it is rent, then it is subject to TOT.

6. Cleaning Fees (These fees relate only to units rented by rental agencies):

These Non-Optional fees are charged to guests for cleaning the rented sleeping accommodations (single family houses, condominiums or townhouses) owned by individuals. They are sometimes included in the quoted rental rate and would be subjected to TOT. If however these fees are listed separately they are still considered Non-Optional rent charges that are subject to TOT.

7. Surcharges:

A surcharge would be a charge In addition to the usual rental payment and would include such items as an energy surcharge or an in-room safe charge. If these fees are Non-Optional, they are considered rent by another name, but still rent and therefore are subject to TOT.

8. Roll-Away Bed Charge:

These charges are directly related to sleeping accommodations and are therefore deemed consideration paid for the privilege of occupancy and therefore are subject to TOT.

9. Pet Fees:

These Fees are considered as a Non-Optional charge for the guest that agrees to pay this extra charge to have their pet stay in the room. If the guest does not agree to pay the extra charge, then he is not allowed to occupy the room – with his pet. And since Non-Optional charges are considered another name for rent, they are subject to TOT.

Common guest fees subject to TOT can be categorized as follows:

DIRECTLY RELATED TO SLEEPING ACCOMMODATIONS:

- No-Show Fees
- Attrition/Cancellation Fees
- Late Check-Out Fees
- Extra Person charge
- Roll-Away Bed Charge

NON-OPTIONAL CHARGES (Mandatory):

- Resort Fees
- Cleaning Fees
- Surcharges
- Pet Fees

FREQUENTLY ASKED QUESTIONS

Business Licenses:

Q: Do I need a license to conduct business in Napa and why?

A: The City of Napa requires everyone doing business in the City of Napa to pay a business license tax. The tax on most businesses is based on gross receipts earned and must be renewed at the end of the applicable period. Licenses are issued for revenue purposes only. It is not a permit to operate a business in violation of City, County, State and Federal Laws.

Q: Where do I get information about business tax requirements?

A: This packet includes information which can also be found at www.cityofnapa.org under Finance Department, Business License page. You can also contact us at City of Napa Finance Department-Revenue Division at City Hall, 955 School St., P.O. Box 660, Napa, CA 94559, (707) 257-9508, during Business Hours: 8:00 a.m. - 5:00 p.m., Monday – Friday, or FinanceCollections@cityofnapa.org.

Q: Who is taxed?

A: Businesses that are located in the city of Napa or that are located outside the city but generate receipts within the city limits are required by City Ordinance to pay a business tax to the City.

Q: What information is needed to obtain a business license?

A: To obtain a business license, a completed application with information about the business and an estimate of gross receipts to be earned in the City of Napa during the first calendar year is required. If the business is located in the City of Napa, a zoning clearance or a home occupation use permit from the Planning Division is necessary. Certain applicants may also require clearance and special permits from other City or County departments. (See "How is the application reviewed and processed?")

Q: How is the tax calculated?

A: The initial tax is based on your estimate of gross receipts and multiplied by the applicable rate, depending on the business. At the end of each reporting period, a renewal form will be mailed to the business and the new tax calculation will be based on the prior period's actual gross receipts.

Q: How is the application reviewed and processed?

A: The business license application is processed by the Finance Department for the issuance of the business license. Additionally, the application will be routed to Planning, Fire Prevention, Building and Police divisions as necessary. Inspections may be required as part of the approval and clearance process for those department permits. If the business is a food establishment, a permit from the County Health Department will also be necessary.

Q: Can I do business while my license is in process?

A: Applicants will be issued a business license upon completion of the Finance Department-Revenue Division's review of the application and payment of the business license tax. However, if your business requires one or more permits from other City or County departments, start of business must wait for those departments to issue the required permits.

Q: How can I obtain a copy of a current business license?

A: A current business license can be re-issued for a \$10.00 fee by requesting in person or by letter with payment to 955 School St, P.O. Box 660, Napa, CA 94559. The business license will be mailed to the business address on record.

Q: How can I obtain a copy of a prior year's business license?

A: We are unable to provide copies of prior year licenses. However, a letter can be prepared stating how long your business has been licensed. For faster service, send request via email to FinanceCollections@cityofnapa.org or call or write us at the Finance Department-Revenue Division, 955 School St., P.O. Box 660, Napa, CA 94559, (707) 257-9508. The letter will be mailed to the current business address on record.

Q: What else do I need to do to start my business?

A:

- If you conduct business using a name other than your legal name (DBA), you are using a fictitious business name. Contact Napa County Recorder's Office for more information.
- If you sell tangible property, you are required to obtain a Seller's Permit from the State Board of Equalization (BOE) for the purpose of collecting and reporting sales tax to the State of California. For additional information on sales and use tax please visit www.boe.ca.gov/sutax/use-tax.htm
- If you have employees and withhold State Income Tax, Disability and Unemployment insurance, contact the State Employment Development Department (EDD) to obtain a State Employer ID number.
- If you intend to have employees or to obtain a Form 540 for estimating State Withholding Tax for yourself, contact the Franchise Tax Board (FTB).
- If you plan to sell or serve alcoholic beverages, contact the Alcoholic Beverage Control Board (ABC).
- Depending on the type of business being conducted, please consult the Department of Consumer Affairs. Many professions, including Building Contractors, need to obtain California State Licenses.
- Contact the Internal Revenue Service (IRS) for a federal employer ID number, a businessman's kit, seminars for new businesses, additional information and forms.
- Weights and Measures: If your business uses a weighing or measuring device, a (PLU) price lookup system or scan gun system for retail sales, a permit from the Napa County Sealer of Weights and Measures will also be necessary. Call Weights and Measures at (707) 944-8714 for assistance.

Transient Occupancy Tax:

Q: What is TOT?

A: TOT is an acronym for Transient Occupancy Tax. The City of Napa's TOT rate is 12%, plus 2% for Tourism Improvement District Assessment. Tax remittance is due on the 10th day of the month subsequent to the month of taxable transactions.

Q: How do I obtain the monthly TOT forms?

A: The TOT Tax Return Form is included in this welcome packet and can be downloaded at www.cityofnapa.org under the Finance Department, Business License page.

Q: Who is exempt from TOT tax?

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, and only when in the performance of official duties thereof. (NMC Section 3.20.030)
- Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty. (A diplomat on official business).
- Federal Credit Union members on official business.
- Any occupancy paid for by the American Red Cross when housing disaster victims in a hotel on a temporary basis and/or by American Red Cross staff in the conduct of their emergency operations (City of Napa Council Agenda Summary Report 12F, 11/7/95.)
- You can download the TOT exemption form at www.cityofnapa.org. Follow the instructions on the form and submit with your tax filing and payment.

Q: Do I need to submit a TOT return even if I do not have any rents for the month?

A: Yes, returns must be filed each month.

Q: How can I obtain TOT financial information for the City of Napa?

A: The City of Napa provides TOT information on an aggregate basis. Requests for information should be submitted in writing to the City of Napa Finance Department-Revenue Division, P.O. Box 660, Napa, CA 94559, or by emailing FinanceCollections@cityofnapa.org. You may also call (707) 257-9508.

Napa Municipal Code

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[CITY OF NAPA MUNICIPAL CODE](#)

[Title 3 REVENUE AND FINANCE](#)

Chapter 3.20 TRANSIENT OCCUPANCY TAX

3.20.010 Definitions.

As used in this chapter:

“Hotel” means:

1. Any structure, or any portion of any structure, which is occupied, intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, roominghouse, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location or other similar structure or portion thereof; and
2. Any portion of any real property which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes and includes any recreational vehicle, trailer, trailer coach, house car or motor home, and includes campgrounds and recreational vehicle parks.

“Occupancy” means the use or possession, or the right to the use or possession, of any room or rooms or portion thereof in any hotel for dwelling, lodging or sleeping purposes.

“Operator” means the person who is the proprietor of the hotel, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee or any other capacity. Where the operator performs his or her functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his or her principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be in compliance by both.

“Person” means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

“Rent” means the consideration charged, whether or not received, for the occupancy of space in a hotel, valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever.

“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 30 consecutive calendar days or less, counting portions of calendar days as full days. Any such person so occupying space in a hotel shall be deemed to be a transient until the period of 30 days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy. (Rev. Code 1954 § 4600; O1645; O2773; O4007; O4272)

3.20.020 Tax imposed.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax in the amount of 12% of the rent charged by the operator. Said tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the City Collector may require that such tax shall be

paid directly to the City Collector. (Rev. Code 1954 § 4601; O645; O1834; O2276; O2773; O3034; O93-024)

3.20.030 Exemptions.

No tax hereunder 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, and only when in the performance of official duties thereof.
- B. Any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty.

No exemption shall be granted except upon a claim therefor made at the time rent is collected and under penalty of perjury upon a form prescribed by the City Collector. It is incumbent for the transient to provide the necessary proof of exemption. Exemption requires payment of rents to be made directly by other than the occupant of the hotel. Governments and governmental agencies are generally not exempt from taxation. A copy of eligible exemption claims shall be submitted monthly at the same time as the required tax return reporting. (Rev. Code 1954 § 4602; O1645; O4272)

3.20.040 Operator's duties.

Each operator shall collect the tax imposed by this chapter to the same extent and at the same time as the rent is collected from every transient. The amount of tax shall be separately stated from the amount of the rent charged and each transient shall receive a receipt for payment from the operator. No operator of a hotel shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, if added, any part will be refunded except in the manner hereinafter provided. (Rev. Code 1954 § 4603; O1645)

3.20.050 Registration of hotels.

Within 30 days after commencing business, each operator of any hotel renting occupancy to transients shall register said hotel with the City Collector and obtain from him or her a "transient occupancy registration certificate" to be at all times posted in a conspicuous place on the premises. Said certificate shall, among other things, state the following:

- A. The name of the operator;
- B. The address of the hotel;
- C. The date upon which the certificate was issued;
- D. "This transient occupancy registration certificate signifies that the person named on the face hereof has fulfilled the requirements of the Municipal Code of the City pertaining to the uniform transient occupancy tax by registering with the City Collector for the purpose of collecting from transients the transient occupancy tax and remitting said tax to the City Collector. This certificate does not authorize any person to conduct any unlawful business or to conduct any lawful business in an unlawful manner, nor to operate a hotel without strictly complying with all local applicable laws, including, but not limited to, those requiring a permit from any board, commission, department or office of this City. This certificate does not constitute a permit." (Rev. Code 1954 § 4604; O1645; O2773)

3.20.060 Reporting and remitting of tax.

On the 10th day of each calendar month, each operator shall make a return to the city declaring the total rents charged and received and the amount of tax collected for transient occupancies for the month next preceding the previous month. At the time the return is filed, the full amount of the tax collected shall be remitted to the city.

The City Collector may establish shorter reporting periods for any certificate holder if he or she deems it necessary in order to insure collection of the tax and he or she may require further information in the return. Returns and payments are due immediately upon cessation of business for any reason. All taxes collected by operators pursuant to this chapter shall be held in trust for the account of the city until payment thereof is made to the City Collector. (Rev. Code 1954 § 4605; O1645; O2773)

3.20.070 Penalties and interest.

- A. Original Delinquency. Any operator who fails to remit any tax imposed by this chapter within the time required shall pay a penalty of 10% of the amount of the tax in addition to the amount of the tax.
- B. Continued Delinquency. Any operator who fails to remit any delinquent remittance on or before a period of 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of 10% of the amount of the tax in addition to the amount of the tax and the 10% penalty first imposed.
- C. Fraud. If the City Collector determines that the nonpayment of remittance due under this chapter is due to fraud, a penalty of 25% of the amount of tax shall be added thereto in addition to the penalties stated in subsections A and B of this section.
- D. Interest. In addition to the penalties imposed, any operator who fails to remit any tax imposed by this chapter shall pay interest at the rate of one percent per month or fraction thereof on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
- E. Penalties, Interest Merged with Tax. Every penalty imposed and such interest as accrues under the provisions of this section shall become part of the tax herein required to be paid. (Rev. Code 1954 § 4606; O1645; O2773)

3.20.080 Failure to collect and report tax—Determination of tax by City Collector.

If any operator shall fail or refuse to collect said tax and to make, within the time provided in this chapter, any report and remittance of said tax or any portion thereof required by this chapter, the City Collector shall proceed in such manner as he or she may deem best to obtain facts and information on which to base his or her estimate of the tax due. As soon as the City Collector shall procure such facts and information as he or she is able to obtain upon which to base the assessment of any tax imposed by this chapter and payable by any operator who has failed or refused to collect the same and to make such report and remittance, he or she shall proceed to determine and assess against such operator the tax, interest and penalties provided for by this chapter. In case such determination is made, the City Collector shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States mail, postage prepaid, addressed to the operator so assessed at his or her last known place of address. Such operator may within 10 days after the serving or mailing of such notice make application in writing to the City Collector for a hearing on the amount assessed. If application by the operator for a hearing is not made within the time prescribed, the tax, interest and penalties, if any, determined by the City Collector shall become final and conclusive and immediately due and payable. If such application is made, the City Collector shall give not less than five days written notice in the manner prescribed herein to the operator to show cause in a time and place fixed in said notice why said amount specified therein should not be fixed for such tax, interest and penalties. At such hearing, the operator may appear and offer evidence why such specified tax, interest and penalties should not be so fixed. After such hearing, the City Collector shall determine the proper tax to be remitted and shall thereafter give written notice to the person in the manner prescribed herein of such determination and the amount of such tax, interest and penalties. The amount determined to be due shall be payable after 15 days unless an appeal is taken as provided in Section 3.20.090. (Rev. Code 1954 § 4607; O1645)

3.20.090 Appeals.

Any operator aggrieved by any decision of the City Collector with respect to the amount of such tax, interest and penalties, if any, may appeal to the Council by filing a notice of appeal with the City Clerk within 15 days of the serving or mailing of the determination of tax due. The Council shall fix a time and place for hearing such appeal and the City Clerk shall give notice in writing to such operator at his or her last known place of address. The findings of the Council shall be final and conclusive and shall be served upon the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due shall be immediately due and payable upon the service of notice. (Rev. Code 1954 § 4608; O1645)

3.20.100 Records required to be kept—Right to inspect.

It shall be the duty of every operator liable for the collection and payment to the city of any tax imposed by this chapter to keep and preserve, for a period of three years all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the city, which records the City Collector shall have the right to inspect at all reasonable times. (Rev. Code 1954 § 4609; O1645)

3.20.110 Refunds.

- A. Whenever the amount of any tax, interest or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the city under this chapter, it may be refunded as provided in subsections B and C of this section provided a claim in writing therefor, stating under penalty of perjury the specific grounds upon which the claim is founded, is filed with the City Collector within three years of the date of payment. The claims shall be on forms furnished by the City Collector.
- B. An operator may claim a refund or take as credit against taxes collected and remitted the amount overpaid, paid more than once or erroneously or illegally collected or received when it is established in a manner prescribed by the City Collector that the person from whom the tax has been collected was not a transient; provided, however, that neither a refund nor credit shall be allowed unless the amount of the tax so collected has either been refunded to the transient or credited to rent subsequently payable by the transient to the operator.
- C. A transient may obtain a refund of taxes overpaid or paid more than once or erroneously or illegally collected or received by the city by filing a claim in the manner provided in subsection A of this section, but only when the tax was paid by the transient directly to the City Collector, or when the transient having paid the tax to the operator, establishes to the satisfaction of the City Collector that the transient has been unable to obtain a refund from the operator who collected the tax.
- D. No refund shall be paid under the provisions of this section unless the claimant establishes his or her right thereto by written records showing entitlement thereto. (Rev. Code 1954 § 4610; O1645)

3.20.120 Duty of successor of operator.

If an operator who is liable for any tax or penalties under this chapter sells or otherwise disposes of his or her business, his or her successor shall notify the City Collector of the date of sale at least 30 days before the date of sale, or if the decision to sell was made less than 30 days prior to the actual sale, then immediately and shall withhold a sufficient portion of the purchase price to equal the amount of such tax or penalty until the selling operator produces a receipt from the Collector showing that the tax or penalty has been paid or a tax clearance certificate from the City Collector stating that no tax or penalty is due. If the seller does not present a receipt or tax clearance certificate within 30 days after such successor commences to conduct business, the successor shall deposit the withheld amount with the City Collector pending settlement of the account of the seller. (Rev. Code 1954 § 4611; O1645; O93-031)

3.20.130 Liability of successor for failure to withhold—Notice of amount due.

If the successor to the business fails to withhold a portion of the purchase price as required, it shall be liable to the city for the payment of the amount required to be withheld. Within 30 days after receiving a written request from the successor for a tax clearance certificate stating that no tax or penalty is due, the City Collector shall either issue the certificate or mail notice to the successor at its address as it appears on the records of the City Collector of the estimated amount of the tax and penalty that must be paid as a condition of issuing the certificate. (O93-031)

3.20.140 Actions by city to collect.

Any tax required to be paid by any transient under the provisions of this chapter shall be deemed a debt owed by the transient to the city. Any such tax collected by an operator which has not been paid to the city shall be deemed a debt owed by the operator to the city. Any person owing money to the city under the provisions of this chapter shall be liable to an action brought in the name of the city for the recovery of such amount. (Rev. Code 1954 § 4611; O1645; O93-031)

3.20.150 Violation—Penalty.

Any person violating any of the provisions of this chapter shall be guilty of a misdemeanor.

Any operator or other person who fails or refuses to register as required herein, or to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the City Collector, or who renders a false or fraudulent return or claim, is guilty of a misdemeanor. Any person required to make, render, sign or verify any report or claim who makes any false or fraudulent report or claim with intent to defeat or evade the determination of any amount due required by this chapter to be made, is guilty of a misdemeanor. (Rev. Code 1954 § 4612; O1645; O93-031)

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