

NOTICE OF TRANSIENT LODGING TAX (TLT)

FORMERLY KNOWN AS TRANSIENT OCCUPANCY TAX (TOT)

RATE INCREASE

EFFECTIVE JANUARY 1, 2011

On November 2, 2010, Mesa voters approved an increase in the City's Transient Lodging Tax (TLT). The Transient Lodging Tax rate will increase from three percent (3%) to five percent (5%) **effective January 1, 2011.**

This notice is informing Rental of Real Property owners and Hotel/Lodging businesses of tax rate changes which have occurred. This change may affect the reporting requirements regarding the imposition of the Mesa Transaction Privilege (sales) Tax (TPT), as well as, the Transient Lodging Tax.

City of Mesa Tax Code Section 5-10-100 defines a **transient** as a person who obtains lodging for not more than 29 consecutive days. Long term rentals of more than 29 days would not be subject to the 5% Mesa Transient Lodging Tax, if at the inception of the stay, the owner/business can reasonably determine that the guest will remain more than 29 consecutive days. In order for the owner/business to make this determination, the guest would **either** have to prepay the entire rental charge for more than 29 days **or sign a binding lease** which covers a period of more than 29 consecutive days. If either the prepayment or signing a binding lease occurs, then the entire stay, including the first 29 days, would be exempt from the Mesa Transient Lodging Tax.

The fact that the guest may have actually stayed more than 29 consecutive days is **NOT** in itself sufficient to claim exemption from the Transient Lodging Tax. As stated above, prepayment or a binding lease **must** be present at the inception of the stay. **Without the prepayment or binding lease, the 5% Mesa Transient Lodging Tax is applicable for the entire duration of the guest's stay.**

Please note that the separate Mesa Transaction Privilege (sales) Tax of 1.75% is applicable to all rental amounts regardless of length of stay. (Refer to the City of Mesa Tax Code Sections 5-10-445, 5-10-444, and 5-10-447 for further information regarding applicable Transaction Privilege Tax and Transient Lodging Tax.)

For questions or additional information, please contact the Tax Audit and Collections office at 480-644-2051 or email salestax.info@Mesaaz.gov.