This tax is imposed on the occupancy of space or use of furnishings or other services or accommodations in a hotel, motel, or any other structure intended for occupancy by transients for dwelling, lodging, or sleeping purposes for a period of 29 consecutive calendar days or less.

**Transient Lodging Tax rate**

The TLT rate is 5.0% of the total amount charged for occupancy of space including the use of furnishings. This tax is assessed above and beyond the 2.0% transaction privilege tax. (Note: The TLT rate increased from 3% to 5% on 01/01/2011.)

**Occupancy for over 29 days**

The TLT only applies to lodging furnished to transients. A transient is a person who obtains lodging on a daily or weekly basis; or other basis for not more than 29 consecutive days.

In cases where the transient stays for more than 29 days, and a binding lease or prepayment is in place at the inception of the stay, then the entire length of the stay would not be subject to the TLT. In cases where the transient stays for more than 29 days, however, does so on a daily, weekly, or other basis that is in increments of less than 30 days, then the entire length of stay would be subject to the TLT. TPR 94-5; 5/25/94 Definition of “transient”. See the Arizona Department of Revenue website:

The TPT (2.0%) is due regardless of the length of stay.

**Business Codes**

025 Transient Lodging for State “MAR”
044 Hotel Code for City of Mesa “ME”
144 Additional Transient Lodging Tax “ME”
This publication is for general information only about Transaction Privilege (Sales) Tax and Transient Occupancy Tax on hotels and motels. For complete details, refer to the applicable City Tax Code and related regulations. In case of inconsistency or omission in this publication, the language of the Tax Code will prevail. The Transaction Privilege Tax is commonly referred to as a sales tax, however, the tax is on the privilege of doing business in Mesa and is not a true sales tax.

FOR TPT LICENSING
INFORMATION CONTACT:
Arizona Department of Revenue
https://www.aztaxes.gov
602.255.3381

FOR MESA TAX
INFORMATION CONTACT:
480.644.3816
salestax.info@mesaaz.gov

MESA TPT
MESA TAX AUDIT
P.O. Box 1466, MS1170
Mesa, Arizona 85211-1466
www.mesaaz.gov/salestax

Revised 02/2019

HOTELS & MOTELS

Tax Matrix
TPR-06-1 09/14/06 Taxation of Charges for Goods, Services or Activities Customarily Provided in the Course of the Business of Operating a Transient Lodging Facility (Effective January 1, 2007) See Arizona Department of Revenue website.
http://www.revenue.state.az.us/
ResearchStats/rulings/TPR06-1.htm


Collection & Calculating the Tax (Tax Factoring)
You may choose to charge the tax separately or you may include tax in your sales price. If you include tax in your sales price, you may factor in order to “compute” the amount of tax included in your gross income for deduction purposes and obtain the “Net Taxable”. To determine the factor, add one (1.00) to the total of state, county, and city tax rates.

Example (Total Tax Rate 14.27%):
1.00 + .0727 + .0200 + .0500 = 1.1427

Calculate as follows (State Transient Tax, City Hotels, City Hotel Additional Tax):
Gross Income / Factor (1.1427) = Net Taxable Income

$500/1.1427 = $437.56 (net taxable);
the tax factor deduction is $62.44

Tax Due Mesa: $437.56*2% = $8.75

Tax Due Mesa Transient:
$437.56*5% = $21.88

Tax Due State/Maricopa County:
$437.56*7.27% = $31.81

Total Tax = $62.44 (should always match the total tax factor deduction amount)