



# City of Palm Springs

Department of Finance and Treasury  
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## Transient Occupancy Tax (TOT) - TAXABILITY OF FEES AND CHARGES

### ADMINISTRATION OF PALM SPRINGS MUNICIPAL CODE CHAPTER 3.24 TRANSIENT OCCUPANCY TAX

Pursuant to Section 3.24.020 of the Palm Springs Municipal Code, all fees and charges that are mandatory for the occupancy of space in the City should be considered taxable for Transient Occupancy Tax (TOT). Fees and charges for items that are not mandatory in order to obtain the right to occupancy are not considered taxable for TOT purposes.

Below is a table showing some commonly charged items associated with short-term vacation rentals and it is not meant to be all-inclusive.

#	Description of Fees Charged to Guests	Comments	Is TOT Applicable?	
			VR	Hotel
<b>BOOKINGS:</b>				
1	Base rent charges	TOT applies	Y	Y
2	Early or late arrival charges	TOT applies	Y	Y
3	Booking fees, reservation fees, service fees, host fees, etc...	Any mandatory fees charged are taxable, even if the fees are collected by and withheld from owners by third party Online services.	Y	n/a
4	Security Deposits	Not taxable if refundable	N	n/a
5	Damage waivers, damage insurance charges	Taxable if it was mandatory for the right of occupancy	*	n/a
6	Travel Insurance charges	Taxable if it was mandatory for the right of occupancy	*	n/a
7	Credit card processing fees	TOT applies	Y	n/a
8	Utility deposit charges	Not taxable if refundable	N	n/a
9	Cleaning fees at checkout	TOT applies	Y	n/a
10	Guest cancellation fees	Not taxable - the payment takes away the right to occupancy	N	N
11	No show fees	TOT applies, the renter had the right to occupy the space	Y	Y
<b>OTHER ITEMS:</b>				
12	Mid-stay cleaning fees	Taxable if it was mandatory for the right of occupancy	*	n/a
13	Pool heating	Taxable if it was mandatory for the right of occupancy	*	n/a
14	Utility fees (A/C or Heat)	Taxable if it was mandatory for the right of occupancy	*	Y
15	Resort fees	TOT applies	n/a	Y
16	Pet occupancy charges	TOT applies	Y	Y
17	Concierge 'meet and greet'	Taxable if it was mandatory for the right of occupancy	*	n/a
18	Bicycle or other optional rental charges	Items are not related to the right to occupy the space	N	N
19	Restocking of household basics	Taxable if it was mandatory for the right of occupancy	*	n/a
20	Grocery pre-stock or in-home vending costs	Items are not related to the right to occupy the space	N	n/a
21	Tours/Excursions/Events - costs & fees	Items are not related to the right to occupy the space	N	N
22	Ground Transport	Items are not related to the right to occupy the space	N	N
23	Movies/Pay-per-view type charges	Items are not related to the right to occupy the space	N	N
24	Property damage charges	Items are not related to the right to occupy the space	N	N
25	Parking fees to Hotel Guests	Taxable to hotel guests unless there is also free parking onsite at the Hotel	n/a	Y

\* = If the fee or charge was MANDATORY, the amount is TAXABLE. THESE OPTIONAL ITEMS SHOULD BE CLEARLY DOCUMENTED IN THE RENTAL CONTRACTS FOR EACH BOOKING