

City of Richmond

Administrative Manual

SUBJECT: Uniform Transient Occupancy Taxes

SECTION: Finance

POLICY NUMBER: AP 517

INITIAL DATE PREPARED: August 25, 1999

LAST DATE REVISED: August 25, 1999

I. Policy

The Tax Collector is responsible for the application and enforcement of City ordinances and the Municipal Code dealing with the Uniform Transient Occupancy Taxes. The Tax Collector will issue and enforce the issuance of the Transient Occupancy Registration Certificate. The Tax Collector will enforce the reporting of rents charged and received and the remitting of the amount of 10% tax due for transient occupancies.

II. Procedures

A. Application for Transient Occupancy Registration Certificate

1. All applicants for a Transient Occupancy Registration Certificate are required to prepare an “Application for Transient Occupancy Registration Certificate” (AP 517-1). Municipal Code Sections 7.88, 11.40 and 15.04 should be followed.
2. Hotel owners shall make new application for a Transient Occupancy Registration Certificate when ownership changes.
3. All applicants for a Transient Occupancy Registration Certificate are required to provide evidence of a current City of Richmond Business License.
4. The registration certificate year for regenerated certificates shall be from the first of the month to the first of the following month.
5. The Tax Collector shall provide to the applicant form AP 517-2 which is a “Tax Return to report Transient Occupancy Tax”. A Tax Return shall be mailed to the hotels quarterly.

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B. Payment for Certificate and Tax

Payments may be made in person at the Finance Department or by mail.

C. Delinquency Notices

1. Registration Certificates are considered delinquent if not paid within 30 days from their due date. The following schedule sets forth the penalty fees for delinquent certificates:

31 to 59 days	10%
60 to 89 days	25%
90 days +	50%

2. Businesses which are no longer renting rooms subject to the Uniform Transient Occupancy Tax in the City of Richmond shall be deleted from the Occupancy Tax Module by marking the certificate "Canceled".

D. Non-issuance of a Registration Certificate

The Tax Collector will notify the business owner when a Registration Certificate is not issued. Registration Certificates may not be issued for the following reasons.

1. Registration fees are insufficient.
2. The Application for Registration Certificate is incomplete and/or unsigned.

E. Transient Occupancy Tax Return

1. Transient Occupancy Tax Returns, form AP 517-2, are due on or before the last day of the month following the end of a calendar quarter or at the end of any shorter reporting period which may be established by the Tax Collector.

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2. Transient Occupancy Tax Returns shall report the total rents charged and received from occupants residing for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days
3. The Transient Occupancy Tax is 10% of the taxable rents and is due with the tax return.
4. Penalties and interest shall accrue if the returns are not filed or the tax is unpaid.
 - a. Penalty of 10% of the tax for failure to file on or before the last day of the month following the close of the calendar quarter.
 - b. Penalty of 10% of the tax for failure to file within thirty (30) days following the date in 4a.
 - c. Penalty of 25% of the tax for fraud on the tax in addition to the penalties in 4a and 4b.
 - d. Interest of one-half of 1% per month or fraction thereof from the date on which the remittance became delinquent until paid.
5. A final Transient Occupancy Tax Return must be filed if the business is sold or suspended and must be filed immediately and the tax paid to avoid penalties and interest fees.

F. Field Audit of Transient Occupancy Tax Returns

1. The Tax Collector will review Transient Occupancy Tax Returns.
2. The Tax Collector will perform field audits of businesses to determine compliance with the Uniform Transient Occupancy ordinances and Municipal Code. The Business License Specialist may use his or her "Code Enforcement Officer" badge.

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3. Every operator is required to keep and preserve, for a period of three years, all records as may be necessary to determine the amount of tax. The Tax Collector has the right to inspect the records at all reasonable times.
4. When the Tax Collector determines non-compliance with the Uniform Transient Occupancy ordinances or the Municipal Code, a citation may be issued to the business owner.

G. Appeals

Any operator aggrieved by any decision of the Tax Collector with regard to the amount of such tax, interest and penalties, if any, may appeal to the City Council by filing a notice of appeal with the City Clerk within 15 days of serving or mailing of the determination of tax due.