



City of Urbana Transient Lodging Tax FAQs

What is the transient lodging tax?

A 3% tax on all rents received by a lodging establishment within the City of Urbana for lodging furnished to transient guests.

What is the definition of Lodging Establishment?

Every establishment kept, used, maintained, advertised or held out to the public to be a place where sleeping accommodations are offered for a consideration to guests, in which one or more rooms are used for the accommodation of such guests, whether such rooms are used for accommodation of such guests, whether such rooms are in one or several structures. This includes but is not limited to hotels, motels, bed & breakfasts, cabins, condominiums, vacation homes, rooms in residences being rented to guests for sleeping accommodations, owner-occupied residences, accessory dwelling units, and non-owner occupied residences.

Who is considered a transient guest?

A person occupying a room for sleeping accommodations for less than thirty consecutive days.

Who pays the lodging tax?

Lodging establishment operators are to include the tax on guest bills. If the operators do not collect the tax from guests then the operators are responsible for paying the lodging tax.

Furthermore, the ordinance requires that “the tax to be collected shall be stated and charged separately from the rent and shown separately on any record thereof, at the time when the occupancy is arranged or contracted for, and upon every evidence of occupancy or any bill or statement of charge made for said occupancy issued or delivered by the operator, and the tax shall be paid by the occupant to the operator as trustee for and on account of the City, and the operator shall be liable to the City for the collection thereof and for the tax”.

What is the lodging tax rate?

The city’s lodging tax rate is 3%.

Are rooms being rented through Airbnb, VRBO, HomeAway, and other third party websites required to collect lodging tax?

By definition, rooms being rented through third party websites such as Airbnb, VRBO, and HomeAway are considered lodging establishments; therefore, transient guests are required to pay the lodging tax, and operators are required to report and remit the lodging tax monthly to the City of Urbana Finance Department.

To whom is the check made payable for the lodging tax?

The check should be made payable to: **City of Urbana Finance Department**

Where should a lodging establishment mail its payment and tax form?

City of Urbana Finance Department
Attn: Accounts Receivable
P.O. Box 747
Urbana, OH 43078-0747

How do I let the city know a room rental is exempt from the tax?

For each qualified stay the owner must complete a *Transient Lodging Tax Certificate of Exemption* to accompany all filings where an exemption is listed. Remember to keep a photocopy for your own records.

When are lodging tax payments due?

Lodging tax payments are due by the 15th day of each month for the preceding calendar month (i.e. January lodging tax receipts are due February 15th).

What happens if a payment is late?

Failing to report tax and paying after the deadline will result in a penalty of 10% of the amount of the tax, and interest will be imposed at 1% per month on the amount of tax, exclusive of penalties, until paid.

In the past, I submitted both the county and city lodging tax to the Champaign County Auditor's Office.

What am I required to do now?

Effective October 1, 2019, the City of Urbana will collect the city's 3% lodging tax for lodging establishments located within the city limits. The October 2019 lodging tax receipts will be paid to the City of Urbana on or before November 15, 2019. Champaign County lodging tax will continue to be remitted to the Champaign County Auditor's Office.

Do cities and townships within Champaign County collect their own lodging tax or does the County impose the only lodging tax?

With the passage of Ordinance 4507-19 by Urbana City Council, the city's lodging tax will be paid directly to the City of Urbana Finance Department effective October 1, 2019. Please contact the Champaign County Auditor's Office (phone 937-484-1600) for additional information regarding lodging taxes for the other cities and townships located in Champaign County.

Is there a specific form to be used by an establishment in determining the amount of tax to pay the City?

Yes, the form is called the Transient Lodging Tax Return, and it is required to be completed and submitted on a monthly basis. A fillable version of this form is available on the city's website at www.urbanaohio.com.

What information am I required to report?

1. The month for which you are reporting
2. Identifying information about your business name and address
3. Your gross rental revenue
4. The amount of exemptions you are claiming (shall be documented on an exemption certificate)
5. The tax due at 3%
6. Your signature, printed name, contact information (email address and phone number)

Who is exempt from paying lodging tax?

- The rent is paid by the Federal Government. Payment shall be made by government check or government credit card.
- The rent is paid by State and Local Governments and subdivisions thereof. Payment shall be made by government check or government credit card.
- Non-transient guests who occupy the room for 30 or more consecutive days.

Are other organizations exempt if they present a tax exempt certificate?

No, a tax exempt certificate applies to general sales tax and in Ohio, the lodging tax is permitted under separate legislation.

PLEASE CONTACT THE FINANCE DEPARTMENT AT (937) 652-4312 WITH ADDITIONAL QUESTIONS NOT ADDRESSED ABOVE.