Lodging Tax FAQs

What is the Lodging Tax?

The lodging tax is a consumer tax on the rental of rooms to "transient occupants" of hotels, motels, boarding houses, travel campgrounds and other such facilities for a period of less than ninety (90) consecutive days.

What is the Lodging Tax rate in the City of Richmond?

The Lodging Tax rate in the City of Richmond is eight percent (8%).

How are Lodging Taxes remitted to the City of Richmond?

The Department of Finance issues coupon booklets to businesses in the City of Richmond that are subject to meals, lodging and admissions taxes. These coupons have a place for the business to record their gross rental receipts and calculate the total Lodging Taxes due the City of Richmond.

Lodging Tax Coupons are located on the City website here:
http://www.richmondgov.com/Finance/forms/ALM_coupon_2011.pdf

What is the due date for Lodging Tax remittances to the City of Richmond?

Lodging Taxes remittances are due on the twentieth (20th) day of the month following the month in which the business collecting the taxes on behalf of the City collected them from the consumer. For example, taxes collected during the month of January from people renting rooms at hotels, motels, etc. are due to the City of Richmond on or before February 20.

For what purpose does the City use Lodging Taxes?

100% of the Lodging Taxes in the City of Richmond are allocated to the Greater Richmond Convention Center Authority (GRCCA) as the City's 50% contribution to the operating expenses of GRCCA to promote tourism, travel or business that generates tourism or travel in the Richmond metropolitan area.

Why does the City contribute 100% of its Lodging Tax revenue to GRCCA?

GRCCA was created by the Virginia General Assembly in 1998 pursuant to the Public Recreational Facilities Authority Act, Chapter 56 of Title 15.2, *Code of Virginia*. GRCCA's purpose was to acquire, finance, expand, renovate, construct, lease, operate and maintain the facility and grounds of a visitors and convention center. The Counties of Chesterfield, Hanover, Henrico and the City of Richmond participated in the incorporation of the GRCCA. The Greater Richmond Convention Center (GRCC) replaced the Richmond Convention Center and acquired other facilities for parking and the expansion of the facility. As part of the agreement with the other localities involved in forming GRCCA, the City agreed that its contribution to the operations, etc. of GRCCA would be 100% of its Lodging Tax revenue as the facility would be located in the City and the City would be the primary beneficiary of tax revenues resulting from the renovation, construction and operation of the GRCC.

Are there any exemptions from the Lodging Tax?

Yes. A person enrolled in and attending as a full-time student a school, college or university within the corporate city limits; or, a person who is in the city for the commercial production of a film or video and who commits in advance to lodging at a hotel and actually stays for a minimum of 30 consecutive days; or, a person who does not meet the definition of "transient", i.e. any person who, for a period of not more than 90 consecutive days, either at the person's own expense or at the expense of another, lodges or obtains lodging at any hotel.

Are members of the Virginia General Assembly who stay in a hotel room during the General Assembly Session exempt from the Lodging Tax?

No. There is no specific exemption for members of the Virginia General Assembly for their stay in Richmond during legislative sessions in either the *Virginia Code* or *Richmond City Code*. Also, General Assembly Sessions are either 45 or 60 days, unless extended for some reason. Thus, members of the Virginia General Assembly would not be staying in a hotel for a continuous period of ninety (90) days and would, therefore, not meet the definition of "transient".

Can I appeal a Lodging Tax assessment?

Yes. An administrative appeal may be filed with the Director of Finance for the City of Richmond or an appeal may be filed with the Richmond Circuit Court.