

WARREN COUNTY OFFICE OF TREASURER

**Warren County Occupancy Tax Law
Informational Memorandum**

Amendment - Housekeeping Cottages

This Memorandum is intended to amend a prior Informational Memorandum issued by this office and currently available on the Warren County website, and titled “Warren County Occupancy Tax Law Informational Memorandum - Housekeeping Cottages”.

I. Amendment of Article IID(2)

Currently the lessor of “non-housekeeping cottages” or “bungalows” will not be considered to be the operator of a hotel or a motel, and hence, rent paid for the occupancy of the same is not subject to the occupancy tax if certain criteria are met, including the following criteria: “The required minimum rental of a facility is for at least one week at all times during the rental year”. The purpose of this Memorandum is to amend the aforesaid to provide that in order to obtain the exemption for those times the facility is rented for seven days or more (assuming all other criteria under paragraph IID are met) it will not be necessary to have a minimal rental period of one week for a non-housekeeping cottage or bungalow at all times throughout the year. Please note that this amendment applies only to “non-housekeeping cottages” or “bungalows” and not to any other type of hotel or motel, as defined in Warren County Local Law No. 4 of 2003.

Paragraph D, as amended, shall now read as follows:

D. Rental for occupancy of Non-Housekeeping Cottages or Bungalows not subject to taxation.

A lessor of “non-housekeeping cottages” or “bungalows” will not be considered the operator of a hotel or motel and hence rent paid for occupancy of the same is not subject to the occupancy tax if all of the following criteria are met:

- 1) No centralized services are provided, including no maid, food or other common hotel services (for example: wake-up calls, Continental breakfasts, and concierge services) such as entertainment or planned activities. Providing a completely furnished cottage, including dishes, silverware, etc. and the furnishing of linens by the lessor without the service of changing the linens does not alter the nontaxable status; and
- 2) The required minimum rental of the facility is for at least one week; and
- 3) The name “housekeeping” does not appear in the advertised description of the cottages to be rented except that lessors may claim that lessor is leasing or

renting exempt non-housekeeping cottage(s) or bungalow(s) by demonstrating: (1) compliance with all other criteria set forth in this section; (2) that the advertisements where the description “housekeeping” appears were contracted for prior to the effective date of the Warren County Occupancy Tax Law; (3) the word “housekeeping” is not included in any future advertisements; and (4) the word “housekeeping” does not appear on any billboards or other signs relating to the premises.

Accordingly, Example No. 5 as set forth in the Housekeeping Cottages Informational Memorandum is also amended to read as follows:

Example: 5) DEF, Inc. operates 5 non-housekeeping cottages and will, during slow times of the year, rent the cottages for a minimum of three (3) nights. Linens are provided.

In the above example, the rent paid for the occupancy of the facilities *is* subject to taxation for those transactions where the non-housekeeping cottages are rented for less than seven nights. However, when those same non-housekeeping cottages are rented for seven (7) nights or longer, the rental shall not be subject to taxation, provided that all other criteria set forth in D1 and 3 are met.

III. Reservation of Rights/Redetermination

This informational memorandum sets forth the views of the Warren County Treasurer’s Office at this time concerning determinations to be made in connection with non-housekeeping cottages and bungalows. This informational memorandum is not the law but rather the determination of the Warren County Treasurer on how the law is to be administered. This informational memorandum is subject to revision and/or change in the future based on experience, additional information and/or future interpretations, provided through enactment of laws or decisions by Courts of Law. In the event this informational memorandum is changed, the same will be posted on the website and copies of any amendments to this informational memorandum will be sent to all reporting hotels or motels, in addition to the Tourism Department of Warren County and chambers of commerce identified by the Tourism Department and located in Warren County.