



These FAQs are being provided as a courtesy to the hotel and motel community as guidance to many of the questions that have been received. The Treasurer's office assumes no legal liability or responsibility for the accuracy, completeness, or usefulness of any information in these FAQs. The City intends to follow the guidance and practice of the State under the Nebraska Revenue Act of 1967 in determining which sales to impose the occupation tax on.

FAQ's:

- 1) Q: Whom does the Hotel/Motel Occupation Tax apply to?
A: The Hotel tax is imposed upon each and every person operating a hotel/motel business within the City for any period of time during a calendar month.
- 2) Q: What is the Hotel/Motel Occupation Tax rate?
A: The rate is four percent (4%) of all gross receipts for each calendar month derived from total consideration charged for occupancy per occupied room per night.
- 3) Q: What items are being taxed?
A: The total monetary charge to the public or guest for the actual rental rate charged for the room and any and all charges that are subject to the lodging tax under the Nebraska Visitors Developments Act, Neb. Rev. Stat. 81-1245 et seq. Please refer to Lincoln Municipal Code Chapter 3.28 found at <http://lincoln.ne.gov/city/attorn/lmc/ti03/ch328.pdf>.
- 4) Q: Where do I send my monthly payment and remittance worksheet?
A: Payments and remittance worksheets can be submitted online or sent to the City Treasurer at:
City Treasurer
City of Lincoln
555 South 10th St
Lincoln, NE 68508-2830
- 5) Q: When is the Hotel/Motel Occupation Tax due?
A: On or before the 25th day of each and every month the occupation taxes due from the preceding month shall be paid to the City of Lincoln. Please note that Lincoln Municipal Code does NOT make any allowance for late filing when the due date falls on a Saturday, Sunday or holiday. Interest will still be assessed on payments received after the due date under these circumstances.
- 6) Q: Whom do I contact if I have a question regarding Hotel/Motel Occupation Tax?
A: City Finance office at (402) 441-7457.
- 7) Q: Where do I send a written request for additional information?
A: City Finance Department

555 South 10th Street
Lincoln, Nebraska 68508-3996

8) Q: How do I calculate sales tax?

A: Contact the Nebraska Department of Revenue at (402) 471-5729 or visit their website at http://www.revenue.nebraska.gov/info/occupation_tax.html

Example 2 - Hotel Bill

A customer rents a hotel room in a city with a 4% occupation tax on hotel operators. The state sales tax rate is 5.5% and the state lodging tax rate is 1%. This hotel is located in a city with a 1.75% city sales tax, and in a county with a 4% county lodging tax.

Hotel Room Rate	\$100.00
City Occupation Tax (4%)	+ <u>4.00</u> (remit to City)
Subtotal	\$ 104.00

Gross Receipts Subject to Sales and Lodging Taxes = \$104.00

Sales Tax Calculation

Gross Receipts	\$104.00
Sales Tax 7.25% (State 5.5% and City 1.75%)	+ <u>7.54</u> (remit to Nebraska Department of Revenue)
	\$ 111.54

Lodging Tax Calculation

Gross Receipts	\$104.00
Lodging Tax 5% (State 1% and County 4%)	+ <u>5.20</u> (remit to Nebraska Department of Revenue)
	\$ 109.20

The customer's bill should show:

Hotel Room Rate	\$ 100.00
Occupation Tax	4.00
State and Local Sales Tax	7.54
State and County Lodging Tax	+ <u>5.20</u>
Total	\$ 116.74

The hotel may itemize the occupation tax on the room charge, but is NOT allowed to add the occupation tax rate to the sales and lodging tax rates and charge its customers one flat rate. See the [Lodging Tax Information Guide](#) for additional information.

9) Q: Is there a late remittance fee?

A: Interest is charged at a rate of one percent (1%) per month, or fraction thereof from the date when due. Any such interest due may be compounded quarterly. Based upon information as may be reasonably available, of the amount of taxes due for the period or periods for which the taxpayer is delinquent, the Finance Director may compute and assess in addition thereto a penalty equal to ten percent (10%).

10) Q: What are the office hours?

A: The City Finance department is open 8:00 – 4:30 M-F.

11) Q: My business is not located within the City of Lincoln. Do I have to pay the occupation tax?

A: Any qualified sale made within the Lincoln City limits is subject to the tax.

12) Q: When is the Hotel/Motel Occupation effective?

A: January 1, 2011

13) Q: Are there exemptions for the City of Lincoln Hotel/Motel Occupation Tax?

A: The City of Lincoln Hotel/Motel Occupation Tax Ordinance allows exemption for sleeping accommodations for which the consideration is paid by a person not subject to the sales and use tax imposed by the Nebraska Revenue Act of 1967.

14) Q: Are there exemptions for the City of Lincoln Hotel/Motel Occupation Tax if a hotel stay is more than 30 continuous days?

A: The City of Lincoln Hotel/Motel Occupation Tax ordinance allows for stays of more than 30 continuous days to be exempt from occupation taxes similar to sales and use taxes imposed by the Nebraska Revenue Act of 1967. Additional guidance is provided in the [Lodging Tax Information Guide](#).

15) Q: When using the Online Payment System, when will the payment post to my bank account?

A: Payments will be processed on the first working day after the 25th of each month. The funds will be removed from your account on the next working day. Please see the examples below:*

EXAMPLE 1

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
24	25	26	27	28	29	30
	Tax Due	Payments processed by City Treasurer	Funds removed from your account.			

EXAMPLE 2

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
20	21	22	23	24	25 Tax Due	26
27	28 Payments processed by City Treasurer	29 Funds removed from your account.	30	31		

EXAMPLE 3

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
20	21	22	23	24	25 Tax Due	26
27	28 HOLIDAY Non- Working Day	29 Payments processed by City Treasurer	30 Funds removed from your account.	31		

*Please note: Interest will not be charged on the account as long as the online payment process is completed by midnight on the 25th of each month.