



These FAQs are being provided as a courtesy to the short-term rental 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.

FAQ's:

- 1) Q: Whom does the Short-Term Rental Occupation Tax apply to?
A: The tax is imposed upon each and every person renting all or a portion of a residential dwelling for accommodations for a length of stay per guest visit of no more than 30 consecutive days. Short-term rentals do not include rental of a dwelling unit for meetings including, but not limited to, luncheons, banquets, parties, weddings, fund raisers, or other similar gatherings for direct or indirect compensation. Short-term rentals are a residential use. They do not include accessory uses associated with hotels or motels such as food establishments, meeting rooms, or recreational facilities.
- 2) Q: What is the Short-Term Rental Occupation Tax rate?
A: The rate is four percent (4%) of all taxable receipts for each calendar month derived from total consideration charged for occupancy per residential room or home.
- 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://online.encodeplus.com/regs/lincoln-ne/doc-viewer.aspx#secid-7009>.
- 4) Q: How do I pay the Short-Term Rental Occupation Tax?
A: Payment must be made online through the Host Compliance application. <https://secure.hostcompliance.com/lincoln-ne/permit-registration/welcome>
- 5) Q: When is the Short-Term Rental 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 using the Host Compliance application. 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 Short-Term Rental Occupation Tax? A: The City Treasurer occupation tax help line is (402) 441-7457.
- 7) Q: Where do I send a written request for additional information?
 A: City Treasurer
 555 South 10th Street
 Lincoln, NE 68508-3996
- 8) Q: How do I calculate the Short-Term Rental Occupation Tax?
 A: The Nebraska Department of Revenue provides guidelines on how the occupation tax should be calculated in conjunction with the state/city sales tax and the lodging tax. Contact the Nebraska Department of Revenue at (402) 471-5729 or visit their website at <https://revenue.nebraska.gov>

Example – Short-Term Rental Bill:

A customer rents a residential home in the City of Lincoln for less than 30 consecutive days. The occupation tax rate is 4%. The state sales tax rate is 5.5%, the City sales tax rate is 1.75%, the state lodging tax rate is 1% and the county lodging tax rate is 4%.

Home Rental Rate:	\$500.00
Add City Occupation Tax (4%)	+ \$20.00 (remit to City using Host Compliance app)
Gross Receipts Subject to Sales and Lodging Taxes	\$ 520.00
<u>Sales Tax Calculation</u>	
Gross Receipts	\$520.00
Sales Tax 7.25% (State 5.5% and City 1.75%)	<u>x .0725</u>
Sales Tax Amount	\$37.70 (remit to Nebraska Department of Revenue)
<u>Lodging Tax Calculation</u>	
Gross Receipts	\$520.00
Lodging Tax 5% (State 1% and County 4%)	<u>x .05</u> (remit to Nebraska Department of Revenue)
Lodge Tax Amount	\$26.00

The customer’s bill should show:

Rental Rate	\$ 500.00
Lincoln Short-Term Occupation Tax	20.00
State and Local Sales Tax	37.70
State and County Lodging Tax	+ 26.00
Total	\$ 583.70

The owner of the rental may itemize the occupation tax on the room/ home 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: City Treasurer office is open 8:00 – 4:30 M-F.

11) Q: My short-term rental is not 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 Short-Term Rental Occupation Tax effective?

A: November 1, 2021

13) Q: Are there exemptions for the City of Lincoln Short-Term Rental Occupation Tax?

A: The City of Lincoln Hotel 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 Short-Term Rental Occupation Tax if a stay per guest visit is 30 or more continuous days?

A: The City of Lincoln Hotel Occupation Tax ordinance allows for stays of 30 or more 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: Does Airbnb and VRBO collect this tax and submit to the City?

A: Airbnb and VRBO do NOT collect the city occupation tax. These programs are only collecting the state sales and lodging taxes.