



Notes and Comments from Property Managers Presentation:

Things that are Taxable:

If you have a pool that is heated and you charge extra to have the pool heated, is it taxable?

- Yes, It is taxable

If heated by gas?

- Yes, It is taxable

What if you charge the tenants for electricity if they go over a certain amount?

- This would be looked at on a case by case basis, but if you tell them any overages would be paid by the tenant, the overage would be considered taxable. For example, a tenant is told and it is part of their contract that any amount over \$100.00 in electricity billed for a specific month will be paid by the tenant. The electric bill for the month is \$150.00, then the additional \$50.00 would be considered taxable.

5 % Increase:

If a reservation has been made for April, May, and June and the rental has already been remitted and the tax paid is at the 4% rate, do I owe an additional 1% for June?

- The tax rate is based on the time stayed and not on when the transaction was remitted to the Tax Collector. So if your tenant has reserved a stay beginning anytime after June 1st the rate is 5%. In the event of an Audit you will be assessed the full amount.
- If you have prepaid reservations for stays taking place June 1st and beyond you will need to collect and remit the extra 1% tax.

When is Tax Due?

- The tax is due when it is consumed.

What if in the contract it states that the tax is 10.5%?

- We suggest in your contracts you have something that says the current rate is 10.5% but the tax is subject to change. This will allow a little wiggle room. Effective June 1st the system will collect the 5%.

Suspect Account:

How do you (tax collector) handle someone evading the tax that lives out of country?

- We will get in contact with them telling them of the tax due. If there is no response we will make an assessment and put a lien on the property. Unfortunately, for the property owner it is up to them to prove the amount of rent collected.

Do you share Suspect Account information with the State/Department of Revenue (DOR)?

- They do not receive our tips or know the status of the account, but because of the RISE agreement any new accounts will be shared with DOR.

As a management company, if our owners have blocked time for personal rentals are we responsible in remitting the tax they collect?

- No the responsibility will fall back on the owners for not remitting the tax if they are renting on their own.

What if the transaction is taken overseas, in a different currency? How would the transaction be handled?

- Any transactions taken place overseas in a currency other than US dollars will be converted to US dollars based on a currency convertor. The fact that the transaction has taken place overseas does not change the taxability of the transaction.

If the owner were paying their taxes on their rentals, and they are from overseas, can it be set up so both the Property Manager and the Owner can remit?

- Yes, we can set it up on the same account so both can remit on behalf of the property.