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FAQs for Lodgers

Who must pay this tax?

You must pay this tax when you stay in a "dwelling unit designed for temporary overnight human occupancy" for business, pleasure, or recreational purposes. This includes overnight rental of spaces designed for parking recreational vehicles.

Is anyone exempt from paying this tax?

Yes, you are exempt from paying this tax

- if you spend 30 or more consecutive days at one facility,
- if you are a Federal Employee, an employee of federal instrumentality, (i.e.: American Red Cross), on official business, or
- if you are a person with diplomatic immunity.

How will this tax be collected?

The lodging provider will collect the tax at the time you pay your bill.

How will the funds be used?

The state will use this revenue to promote tourism programs in Oregon.

How much will this cost me?

The tax is 1 percent of the fee you pay for overnight lodging.

How is this tax different from the city or county tax I'm already paying?

This tax promotes tourism statewide. City and county taxes fund a variety of local programs.

When did this tax start?

The 2003 Oregon Legislature established a state lodging tax, effective January 1, 2004. Revenues generated from this tax will be used exclusively to fund the programs of the [Oregon Tourism Commission \(dba Travel Oregon\)](#) and to implement its statewide tourism program.

How much paperwork will I have to do?

None. The lodging provider will calculate the tax and will give you a receipt for your records.

Is this tax deductible?

You may be able to deduct these taxes on your federal and state return if they are ordinary and necessary expenses of your trade or business or of producing income. For more information, see IRS Publication 535, Business Expenses, or consult your professional tax preparer.

Can lodgers get rebates on this tax?

No, this tax is not subject to rebates.

Does the tax apply to just the cost of the room or are other lodging charges included in the taxable amount?

If the cost of the lodging includes amenities that are not optional, the entire lodging rate is taxable. Charges for other taxes and optional items offered for a separate fee would not be included in the tax.



FAQs for Lodging Providers

Who must pay this tax?

Anyone who stays in a "dwelling unit designed for temporary overnight human occupancy" for business, pleasure, or recreational purposes. This includes overnight rental of spaces designed for parking recreational vehicles.

Are there any customers that are exempt from paying the tax?

Yes, the following lodgers are exempt from paying this tax:

- lodgers who spend 30 or more consecutive days at your facility,
- federal employees and employees of federal instrumentalities, (i.e.: American Red Cross), on official business,
- persons with diplomatic immunity.

How will this tax be collected?

Every lodging provider in Oregon is responsible for collecting the tax at the time the fee for lodging is paid.

How will the funds be used?

The state will use this revenue to promote tourism programs in Oregon.

How much will this cost me?

As a lodging provider, you are required to collect this tax from your customers. This tax is held in trust and remitted to Oregon Department of Revenue on a quarterly basis. The law allows you to withhold 5 percent of the state lodging taxes you collect to cover the cost of record keeping, reporting, and collecting the tax. If you fail to pay this tax timely, you may be assessed penalty and interest.

How is this tax different from the city or county tax I'm already paying?

This tax promotes tourism statewide. City and county taxes fund a variety of local programs.

When did this tax start?

The 2003 Oregon Legislature established a state lodging tax, effective January 1, 2004. Revenues generated from this tax will be used exclusively to fund the programs of the [Oregon Tourism Commission \(dba Travel Oregon\)](#) and to implement its statewide tourism program.

How and when do I pay this tax?

You are required to file a return with the Oregon Department of Revenue and pay the taxes quarterly, on or before the last day of April, July, October, and January. You must file a return even if you did not collect any tax for the reporting period.

How much paperwork will I need to do? Will I need to keep records?

You will need to complete a [State lodging tax return](#) every quarter.

You must collect the tax, keep accurate records, and comply with rules set by the Oregon Department of Revenue with respect to this tax. The records and statements must show whether there is a tax liability.

You are allowed to withhold 5 percent of the state lodging taxes you collect to cover the cost of record keeping, reporting, and collecting the tax. The Oregon Department of Revenue may examine the books, papers, or records required to be kept under ORS 305.824 (section 3).

Can I pay this tax along with other business taxes I pay?

You must submit your tax payment with the *State Lodging Tax Quarterly Return* to ensure payment is applied appropriately.

What happens if I don't pay the tax or I pay it late?

If a provider fails to file a return or pay the amount due by the due date, a penalty will be charged equal to 5 percent of the amount due. If a return is not filed within a month from the due date, an additional penalty of 20 percent will be charged.

Interest will be added to any unpaid amount, figured from the time the tax becomes due. Interest will be at the rate established under Oregon law.

What counties and cities within Oregon and other states have lodging taxes?

Many counties and cities within Oregon also levy a tax for lodging. Local and City lodging taxes are separate from this State Lodging Tax. Contact your [city](#) and or [county](#) for local lodging tax information.

Can lodging providers get rebates on this tax?

No, this tax is not subject to rebates.

Does the tax apply to just the cost of the room or are other lodging charges included in the taxable amount?

If the cost of the lodging includes amenities that **are not optional**, the entire lodging rate is taxable. Charges for other taxes and optional items offered for a separate fee would not be included in the tax.



For more information

Visit the [State Lodging Tax webpage](#), or
open [The State of Oregon Lodging Tax brochure](#).



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