



TAX BULLETIN 23-5

Virginia Department of Taxation

May 18, 2023

NEW LAW REQUIRES LOCALITIES TO SUBMIT TRANSIENT OCCUPANCY TAX RATES TO THE DEPARTMENT FOR PUBLICATION ON ITS WEBSITE

Local Transient Occupancy Tax Rates

Effective July 1, 2023, House Bill 1442 (2023 *Acts of Assembly*, Chapter 410) requires the Department of Taxation (“the Department”) to annually publish on its website the current rate of the local transient occupancy tax of each county, city, and town.

The tax-assessing officer of each locality must send this information to the Department in a manner prescribed by the Department as soon as such information is available after a request by the Department or with at least 30 days’ notice prior to the effective date of any change in the rate.

The Department will post the tax rates at www.tax.virginia.gov/facts-figures as it receives updated rate information from localities. Taxpayers should contact the relevant county, city, or town if they have any questions about the transient occupancy tax imposed by it.

The new law also provides that any change in the rate of a local transient occupancy tax shall become effective no earlier than the first day of the calendar quarter following the calendar quarter in which the change in such rate was enacted.

Failure to Provide Notice to the Department of Taxation

In the event that a locality fails to provide the Department with notice of a rate change as required by the new law, the locality shall continue to apply its preceding effective tax rate until 30 days after notification of such change is provided to the Department.

Additionally, if the tax-assessing officer fails without good cause to furnish such information to the Department on demand, the new law provides that he is guilty of nonfeasance in office.

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Procedure for Localities to Submit Rate Information to the Department

Localities must send transient occupancy tax rate information to the Department by email to specialtaxeslocalitysupport@tax.virginia.gov with a subject line that includes the words “TOT rate change.” Localities must also send a copy of the ordinance enacting the rate change.

The Department will update the table of local transient occupancy tax rates it currently maintains on its website at www.tax.virginia.gov/facts-figures as it receives rate information from localities.

Clarification Concerning the Administration of the Transient Occupancy Taxes

The new law also clarifies that the tax-assessing officer of the locality must provide adequate information to accommodations intermediaries to enable them to identify (i) transient occupancy rates, (ii) the applicable jurisdiction, and (iii) any discounts, deductions, or exemptions.

Every accommodations intermediary required to collect or pay a local transient occupancy tax, on or before the twentieth day of the month following the month in which the tax shall become effective, shall transmit to the tax-assessing officer of the locality a return showing the gross receipts, any allowable discounts, deductions, or exemptions, and the rate applied to the resultant net receipts. Where applicable, the return must also include the number of room nights and the room tax rate applied, the total amount of room tax due, and any regional transportation transient occupancy taxes due. Thereafter, intermediaries should prepare and transmit a like return to the tax-assessing officer of the locality on or before the twentieth day of each month, for the preceding calendar month. The intermediary shall remit to the treasurer of the locality the total local transient occupancy tax due, as well as any penalties and interest due during the preceding calendar month.

Additional Information

This Tax Bulletin and the Department’s Public Documents are available on-line in the [Laws, Rules & Decisions](#) section of www.tax.virginia.gov. If you have any questions regarding submitting local transient occupancy tax rates to the Department, please contact the Department at specialtaxeslocalitysupport@tax.virginia.gov. If you have any questions concerning the transient occupancy tax imposed by any county, city, or town, please contact the locality.