

**TO'NANEES'DIZI LOCAL GOVERNMENT
HOTEL OCCUPANCY TAX REGULATIONS**

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Chapter 1. Imposition of Tax

Section 1-101. TITLE

This chapter is called the To'Nanees'Dizi Local Government Hotel Occupancy Tax Regulations.

Section 1-102. TAX IMPOSED

A tax is imposed for each period on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to the use or possession of a room or space in a hotel costing \$2 or more each day. Provided, however, that no tax shall be imposed upon any person who receives the complimentary use of a room and does not pay for that use.

Section 1-103. ADMINISTRATION

The Council of Naat'aánii is empowered to administer this tax; see the To'Nanees'Dizi Local Government Tax Administration Regulations for general administrative provisions and procedures.

Section 1-104. TERMS AND USAGE

Subject to the definitions contained in the Tax Administration Regulations and subsequent Sections of this chapter, and unless the context otherwise requires, in this chapter the following terms are used for the meanings given.

- A. *Branch* means any person owning, operating, managing, or controlling any hotel within the jurisdiction of the To'Nanees'Dizi Local Government (Navajo Nation).
- B. *Chapter* means these regulations and Ordinance of the To'Nanees'Dizi Local Government Tax Code Hotel Occupancy Tax Section 3-03 and Section 3-11.
- C. *Charges for personal services* means charges which are unrelated to the cost of the actual occupancy of the room or rooms. Charges for personal services do not include charges which are related to the cleaning and readying of a room for occupancy.
- D. *Gross receipts* means amount paid by the lodger for charges related to the cost of the actual occupancy of the room or rooms. *A gross receipt* does not include any occupancy tax paid by the lodger.
- E. *Occupancy* means the use or possession, or the right to the use or possession, of any room or rooms in a hotel for any purpose.
- F. *Period* means a calendar quarter. The first quarter is composed of the months of January, February, and March; the second quarter is composed of the months of April, May, and June; the third quarter is composed of the months of July, August, and September; and the fourth quarter is composed of the months of October, November, and December.
- G. *Person* means any organization, whether it be a sole proprietorship, partnership, joint venture, trust, estate, unincorporated association, corporation, or government (other than the government of the Navajo Nation), or any part, division, or agency of any of the foregoing, and an individual or group of individuals.
- H. *Room* means any room in a hotel for the use of which the hotel receives consideration.
- I. *Tax* means the Hotel Occupancy Tax.

Section 1-105. LIABILITY FOR TAX

The branch is liable for taxes assessed whether or not the branch collects the tax from the person. In the event the branch fails to separately state and collect the tax from the person, the tax due will be computed based on the gross receipts.

Section 1-106. RESERVED

Chapter 2. Operative Terms and Rules

Section 2-101. CHARGES SUBJECT TO TAX

All charges for items or services, other than personal services or charges for the use of a telephone, which are furnished in connection with the actual occupancy of the room, are subject to the hotel occupancy tax. The taxable charges include charges for the use of a television and charges for the furnishing of additional beds or cots. These charges are includable within the tax base whether or not separately stated.

Section 2-102. CHARGES NOT SUBJECT TO TAX

Charges for personal services are not subject to the hotel occupancy tax if they are separately stated. These include, but are not limited to, the cost of food served by the hotel, charges for room service, messenger service, and valet service.

Section 2-103. PACKAGE DEALS

If a hotel includes meals, admission to tourist attractions or any other unrelated benefit in the charge for lodging, hotel occupancy tax must be paid on the entire amount. Only if these charges are separately stated on the bill to the customer may they be deducted from the amount subject to tax.

Section 2-104. RESERVED

Section 2-105. GOVERNMENT EXEMPTIONS

No tax is imposed on the government of the To'Nanees'Dizi Local Government and/or Navajo Nation. This tax shall not be imposed upon any To'Nanees'Dizi Local Government and/or Navajo Nation employee occupying a room pursuant to To'Nanees'Dizi Local Government and/or Navajo Nation authorization.

Section 2-106. GROSS RECEIPTS DETERMINATION

The tax shall be reported for each period on the following bases:

- A. In general. The calculation of hotel gross receipts for the period, and the recognition of the includable hotel gross receipts, will be made on the basis of the methods regularly applied in maintaining the books and records of the branch.
- B. Improper method. If there is no method, or a method is not regularly applied or does not clearly reflect hotel receipts, the Council of Naat'aánii and/or Tax Manager will apply such method or methods as it determines will clearly reflect hotel gross receipts.
- C. Special methods. Where a special method is used to calculate hotel gross receipts or to recognize gross receipts, it must clearly reflect gross receipts, or such method will be used as is determined by the Council of Naat'aánii and/or Tax Manager to clearly reflect gross receipts.
- D. Change of method. A method must be used consistently from period to period, and any change of method must be approved by the Council of Naat'aánii and/or Tax Manager.

Section 2-107. FILING OF RETURNS

The return required to be filed under this chapter is the To'Nanees'Dizi Local Government Hotel Occupancy Return(s), TC-FORM 700.

- A. Return required. The return will report hotel gross receipts and the tax due for the period and must be filed for each period by every branch. A branch who owns, operates, manages, or controls three or more hotels in the To'Nanees'Dizi Local Government (Navajo Nation) must file the TC-FORM 700. If the number of hotels reported

is two or less, the TC-FORM 700 may be filed.

- B. Form and instructions. Forms and instructions will be mailed to any person making a written request. A return may be filed on a clear copy of the official form.
- C. Time and place for filing. For a given period, the return is due on the (30th) thirtieth day of the first month after the end of each quarter (January 30, April 30, July 30, and October 30).

Section 2-108. PAYMENT OF TAX DUE

The tax is due and payable at the time and place for filing the return.

Section 2-109. OTHER RETURN REQUIREMENTS

Each owner must file a TC-FORM 701 annually. In addition, each hotel is responsible for requiring exempt lodgers to complete a TC-FORM 702 exemption certificate.

Section 2-110. RESERVED

Section 2-111. RESERVED

Chapter 3. Other Provisions

Section 3-101. EFFECTIVE DATE

The 2011 amendments to the Uniform Tax Administration Ordinance shall be effective June 1, 2011.

Section 3-102. RESERVED

Section 3-103. RESERVED