



STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE  
DELAWARE STATE BUILDING  
820 N. FRENCH STREET  
WILMINGTON, DELAWARE 19801

DIVISION OF REVENUE  
TAX RULING 80-5

December 18, 1980

- Public Accommodations Tax
- Hotels, Motels and Tourist Homes

Chapter 61, 30 Del. C., imposes an excise tax at the rate of 6% of the rent charged for the occupancy of a room or rooms in a hotel, motel or tourist home within this state. The owner or operator of the facility is required to collect the tax from the occupant at the time of occupancy, and to report and pay the amounts collected by the 15th of the following month to the Division of Revenue.

The Public Accommodations Tax applies to hotels, motels and tourist homes defined in the law as follows:

Section 6201 -

"Hotel" means any person engaged in the business of operating a place where the public may, for a consideration, obtain sleeping accommodations and meals and which has at least six, permanent bedrooms for the use of guests; excluding, however, any charitable, educational or religious institution, summer camp for children, hospital or nursing home."

"Motel" means any person engaged in the business of furnishing, for a consideration, transient guests with sleeping accommodations, bath and toilet facilities, linen service, and a place to park an automobile."

"Tourist home" means any person who operates a place where tourists or transient guests, for a consideration, may obtain sleeping accommodations and which has at least five permanent bedrooms for the use of tourists or transient guests."

The tax applies to each occupancy, unless the occupant occupies or has the

right to occupy a room or rooms in the hotel, motel, or tourist home for at least five consecutive months.

The Public Accommodations Tax does not apply to "apartment houses," but this does not mean that the requirement to collect the tax can be avoided merely by designating units available in a motel or tourist home as "apartments." Thus, where the rooms are available seasonally on a daily, weekly or monthly basis to transient individuals, the fact that the owner or operator supplies limited kitchen facilities and labels such units as "apartments for rent" will not convert what is essentially a motel or tourist home operation into an apartment house for purposes of the Public Accommodations Tax. In such circumstances, the owner would be required to collect and pay over the 6% tax.

In addition to the above, Section 2301, 30 Del. C., requires persons operating a hotel, motel or tourist home in Delaware to apply for and obtain a business license and to pay basic annual license fees as follows:

Section 2301 (a):

Hotel, \$15 for each room and \$20 for each suite....

Motel, \$15 for each room....

Tourist Home, \$10 for each room....

Any owner or operator of a hotel, motel or tourist home who has any question about the application of the law to his particular facility should contact the Division of Revenue. Failure to collect the tax at the time of occupancy will not exempt the owner from liability for the tax if it is determined that the rentals are subject to the law.



Robert W. Chastant  
Director of Revenue

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