

INDUSTRY GUIDANCE

| | | | |
|---------------------------|----------------------------|-----------------------|-----------------|
| Category: | Hotels & Motels | Tax Type: | Sales & Use Tax |
| Brief Description: | Hotels & Motels Tax Matrix | Issuance Date: | 11-28-2022 |
| | | Revision Date: | 11-28-2022 |

The taxability of sales and purchases of tangible personal property and labor services by hotel and motel industries are summarized below. While this document provides general information as to the taxability of sales and purchases of tangible personal property and labor services by businesses in the hotel and motel industry, it may not necessarily cover every situation as the taxability may depend on facts and circumstances around the specific transaction. Should a more definitive determination be desired, businesses may request a letter ruling from the Department. [MODOR Letter Ruling Page](#)

This list is not all-inclusive.

Missouri sales or use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Missouri sales or Missouri consumer's use tax must be paid to the vendor or accrued and remitted directly to the Missouri Department of Revenue. Purchases from Missouri vendors may be reported using the retailer's sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Missouri consumer's use tax return.

Legislative Note: Effective August 28, 2022, Senate Bill 745 fully exempts the purchase of utilities only on rooms rented. The administrative and common areas are not included in this tax treatment, and are still subject to tax.

Note: All hotel/motel room sales are taxable including sales made to a third party booking agent. The sale of the room rental from the hotel to the third party online booking company is the taxable transaction.

| Sales by Hotels & Motels: | Taxable/Exempt |
|---|-----------------------|
| Room rental fee | Taxable |
| Rooms rented through an accommodation broker | Taxable |
| Rental of non-sleeping rooms such as ballrooms, banquet, meeting or reception rooms etc. | Taxable |
| Rooms rented to individuals that contract in advance and stay for 30 or more consecutive days | Exempt |
| Fees charged for items such as roll-away beds, additional person in room, no show fees, early departure fee, pet fee, deposit when the facility retains the deposit, cancellation fee (if the fee is compensatory in nature), lockout fees, fax fees, telephone charges, & athletic facility fees | Taxable |
| Fees charged for shuttle or transportation, parking, laundry, faxing documents, cancellation fees (minimal and non-compensatory), cleaning charges, damage fees, internet charges, return check fees, pay per view charges. | Exempt |
| Fees for the use of equipment, health club fees, telephone charges, lock-out fee, lost key fee, photocopy fees, safe boxes located in room | Taxable |

| Sales by Hotels & Motels (continued): | Taxable/Exempt |
|--|-----------------------|
| Deposits returned to the customer | Exempt |
| Deposits not returned to the customer | Taxable |
| Retail sales of items from a gift shop, newsstands, vending machines, minibar, or pantry | Taxable |
| Rental or lease of tangible personal property | Taxable |
| Coin operated laundry | Exempt |
| *Sales/rentals to entities with proper exemption certificates provided are exempt from sales tax. Ensure the exemption certificates and proof of direct pay by an exempt entity are retained to substantiate all non-taxed transactions. | Exempt |

| Purchases by Hotels & Motels: | Taxable/Exempt |
|--|-----------------------|
| Furniture and fixtures to furnish guest rooms and common areas including but not limited to beds, bedding materials, curtains, drapes, mirrors, dressers, carpet, coffee makers, toasters, microwaves, refrigerators, luggage racks and carts, alarm clocks, televisions, DVD players, telephones, towels, robes, blow dryer, hangers, ice tubs, waste baskets, key cards etc. | Taxable |
| Fixed assets purchased from a contractor that installed the asset(s), not from a seller | Exempt |
| Fixed assets purchased from a seller, not a contractor, that installed the asset(s) | Taxable |
| Television services | Exempt |
| Disposable items that are provided free of charge to guests in rooms included but not limited to candy, facial tissue, in-room coffee, laundry bags, lotions, shampoo, soap, cups, stir sticks, toilet tissue etc. | Exempt |
| Food items purchased when the food provided to guests is complimentary (included in the charge of the room) | Exempt |
| Utilities (purchased for rooms rented to the public) | Exempt |
| Utilities (purchased for administrative and common areas) | Taxable |
| Merchandise purchased for resale to customers, including freight or delivery charges. | Exempt |
| Merchandise withdrawn from resale inventory for taxpayer's business use or consumption. | Taxable |
| Tangible personal property given away or donated except items that are given away or donated to a tax-exempt entity | Taxable |
| Promotional items, including but not limited to, calendars, mugs, pens, and clothing | Taxable |
| Freight or delivery charges, billed by the vendor, on purchases subject to sales/use tax | Exempt |
| Newspapers, which are included in the price of the room | Exempt |

| Purchases by Hotels & Motels (continued): | Taxable/Exempt |
|--|-----------------------|
| Office supplies such as office forms, staplers, paper, pens, pencils, labels, ink, toner, and ribbon cartridges | Taxable |
| Laptop and desktop computers, copiers, printers, fax machines, calculators, telephones and other similar equipment | Taxable |
| Furniture and fixtures, including but not limited to, desks, lights, tables, chairs, plants, planters, artwork, and signs | Taxable |
| Break room supplies such as microwaves, refrigerators, tables, chairs, and paper products | Taxable |
| Lease or rental of any tangible personal property such as copiers, fax machines, equipment, or vehicles if tax is not paid on the purchase price | Taxable |
| Security cameras, mirrors, security tags, tag detachers, deactivators, and all other security equipment | Taxable |
| Security monitoring service | Exempt |
| Cleaning services (except when applying products such as wax, scotch guard etc.), plant watering and care | Exempt |
| Janitorial supplies such as vacuums, carpet cleaners, sweepers, scrubbers, floor waxers, rags and toiletries | Taxable |
| Trash removal & shredding services | Exempt |
| Pest control services | Exempt |
| Media advertising | Exempt |
| Specialty advertising | Taxable |