

SUBSTANCE OF THE PROPOSED RULE

DEPARTMENT OF TAXATION AND FINANCE

This rule updates section 527.9 of the sales and compensating use tax regulations concerning the tax imposed on rent received for hotel occupancy in New York State. Recently, with input from representatives of the hotel industry, the Department of Taxation and Finance updated Publication 848, *A Guide to Sales Tax for Hotel and Motel Operators* (3/08), to reflect current statutory provisions and departmental policies related to the sales tax on hotel occupancy. To culminate that effort, this rule updates the department's regulations by making editorial, clarifying, and other technical changes for the betterment of section 527.9. (Publication 848 is available on the department's Web site at www.tax.state.ny.us/pdf/publications/sales/pub848_308.pdf.)

Section 1 of the rule amends subdivision (a) of section 527.9 of the regulations concerning the imposition of the hotel occupancy tax.

Section 2 of the rule amends paragraph (1) of subdivision (b) of section 527.9 of the regulations concerning the definition of "hotel."

Section 3 of the rule amends paragraph (7) of subdivision (b) of section 527.9 of the regulations concerning the definition of "rent."

Section 4 of the rule repeals examples 2 and 3 in subdivision (b) of section 527.9 of the regulations and further amends paragraph (8) of that subdivision concerning the definition of "permanent resident."

Section 5 of the rule repeals examples 1 through 5 in subdivision (c) of section 527.9 of the regulations and further amends subdivision (c) concerning the computation of tax.

Section 6 of the rule repeals examples 1 through 3 and the cross-reference in subdivision (d) of section 527.9 of the regulations and further amends subdivision (d) concerning the exemptions from tax.

Section 7 of the rule repeals examples 1 and 2 in subdivision (e) of section 527.9 of the regulations and further amends subdivision (e) concerning nontaxable facilities.

Section 8 of the rule repeals examples 1 and 2 in subdivision (f) of section 527.9 of the regulations and further amends subdivision (f) concerning complimentary accommodations.

Section 9 of the rule amends paragraph (2) of subdivision (g) of section 527.9 of the regulations concerning the lodging of employees.

Section 10 of the rule repeals example 1 in subdivision (h) of section 527.9 of the regulations and further amends subdivision (h) concerning food services offered by hotels.

Section 11 of the rule amends subdivision (i) of section 527.9 of the regulations concerning common miscellaneous transactions encountered by hotel operators.

Section 12 of the rule repeals examples 14 and 15 in subdivision (i) of section 529.7 of the regulations.