



Transient Occupancy Tax (TOT) & Tourism Business Improvement District (TBID)

Frequently Asked Questions

- What is TOT & TBID?** Transient Occupancy Tax (TOT) and the Santa Barbara South Coast Tourism Business Improvement District Assessment (TBID) is a tax imposed on visitors occupying a room in a hotel, motel, inn, dwelling or similar establishment.
- Who owes it?** Pursuant to Goleta Municipal Code(s) 3.06 (TOT) and Resolution 14.47 (TBID), a City may impose TOT & TBID on persons staying 30 days or less in a room or rooms in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility (including vacation rentals). The tax is a debt owed by the transient to the City.
- Who collects it?** Owners or operators of hotels and similar businesses (including vacation rentals) collect the tax for the City. Operators must have a current business license and be registered with the City for the collection of the tax.
- What is the tax rate?** The TOT rate is 12% of the gross rent less any allowable deductions (see Federal Exemption form). The TBID rate is calculated on the following chart based on Average Daily Rates (flat rate for Short-Term vacation rentals).

\$0 to \$100	\$0.85 per Occupied unit
\$100 to \$150	\$1.65 per Occupied unit
\$150 to \$200	\$2.50 per Occupied unit
\$200 to \$250	\$3.30 per Occupied unit
\$250 to \$300	\$3.85 per Occupied unit
More than \$300	\$4.40 per Occupied unit
All Vacation Rentals	\$2.20 per Occupied unit

- How is it collected?** The amount of the tax is stated separately from the room charge and the operator collects the tax at the same time the room charge is collected. By completing the monthly TOT return, the operator determines the amount of tax due based on completed occupancy during the reporting period. The operator then mails the completed TOT return and payment to the City.

When is the tax paid? TOT/TBID payments are due on the last day of the month, following the month that payments were received. If the tenth falls on a Saturday, Sunday, or a Holiday, the next workday is the due day. Postmarks are acceptable, but not postage meter dates. Failure to pay TOT by the due date will result in a 10% penalty. If payment of the tax is delinquent more than 30 days, an additional 10% penalty will be added plus interest at the rate of one-half of one percent (1/2 of 1%) per month. If a business is sold, the seller must submit a return and payment within ten days from the date of sale. You can access the Monthly Transient Tax Return Form at www.cityofgoleta.org/city-hall/finance/finance-administration-budget.

Additional Questions: Questions may be directed to the Finance Department by calling (805)961-7500.