

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

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Sales Tax
August 23, 1996

Lodging Provided By College or University Operated Hotels

Subject to Sales Tax

The Tax Law has been amended to require colleges and universities to collect State and local sales tax (administered by the State) on certain room rentals as of July 30, 1996. Prior to this date, the Tax Law provided that where a college or university operated a hotel in furtherance of its educational purposes, rents from occupancy of rooms in the hotel were exempt from tax. As a result of the recent change in the Tax Law, this exemption no longer applies if the hotel has available 100 or more rooms for occupancy.

The existing exemptions for permanent hotel residents and for diplomatic missions and personnel were not affected by this change in the law. Nor did the change in the law affect room rentals to organizations exempt from sales and use taxes under section 1116(a) of the Tax Law. Additionally, where an individual rents one of these otherwise taxable rooms at a college or university hotel, the room rental is not subject to tax if the individual is doing business on behalf of an organization exempt from tax under section 1116(a) of the Tax Law. Occupants of the hotel who are not subject to the tax must provide the appropriate exemption documentation to the hotel operator to exercise these exemptions.

Section 1116(a) exempt organizations include:

- New York State, its agencies, instrumentalities, public corporations and political subdivisions;
- the United States of America, agencies and instrumentalities thereof;
- the United Nations or other international organizations of which the United States is a member;
- religious, charitable, scientific, testing-for-public

safety, literary or educational organizations, organizations that foster national or international amateur sports competition, and organizations for the prevention of cruelty to children or animals;

- posts and organizations consisting of past or present members of the Armed Forces of the United States;
- certain Indian Nations or Tribes;
- not-for-profit corporations acting as health maintenance organizations subject to the provisions of article forty four of the Public Health Law; and
- rural electric cooperatives.

Occupancy provided to the general public by a college or university in a hotel which is operated as part of that institution's educational activities will not be subject to tax if the hotel offers less than 100 rooms for occupancy. occupancy in a hotel not operated as part of the institution's educational activities continues to be subject to tax regardless of the number of rooms provided for occupancy.

Taxable room rentals to students as guests of the hotel are not to be confused with nontaxable sales of college or university provided room and board to students in dorms, fraternity houses, etc.

Rent paid for hotel occupancy by attendees of seminars and other educational events is not considered student room and board. it is, in the absence of any other applicable exemption, taxable.

An operator of a hotel must register with the Tax Department by filing Form DTF-17, *Application for Registration as a Sales Tax Vendor*. Forms and information may be obtained by calling the Tax Department's Business Tax Information Center at 1 800 972-1233.