



*Home of the
London Bridge*

Procedure for Bed Tax Payment

You must apply for a sales tax license.
For information or a license application,
contact:

Lake Havasu City (928) 453-4153
Arizona Dept. of Revenue (800) 352-4090

The bed tax is reported to and collected by
Lake Havasu City on a city bed tax return.

Answers to your questions about...

Transient Occupancy (Bed) Tax

Who Must Pay?

*If you are in the business of charging
for lodging and/or lodging space to a
person for any period of not more than
30 consecutive days,
you owe bed tax. The
tax is owed whether or
not the tax was added
to the lodging price.*



Important

*This brochure is for informational purposes
only. Its intent is to condense and simplify the
language in the Lake Havasu City Tax
Code. In the event of any omissions or
inconsistencies, the Lake Havasu City Tax
Code will prevail over the language in this
publication. Contact your tax advisor
concerning your specific situation.*

Lake Havasu City

Finance Department
2330 McCulloch Blvd. N.
Lake Havasu City, AZ 86403

Email: rookek@lhcaz.gov

Reference

*Lake Havasu City Tax Code
Section 3.04-447 Transient Lodging*

FIN-69, 11/13/06

(928) 855-2116 Telephone
(928) 855-0551 Fax
(866) 248-4150 Toll Free
(928) 855-3945 TDD

Prepared by Lake Havasu City

www.lhcaz.gov

Examples of Taxable Activities

Income derived from the following lodging facilities is subject to the transient occupancy (bed) tax.

- Hotels, motels, inns, hostelry
- Bed & breakfasts
- Mobile homes, trailers
- Resorts
- Campgrounds
- Spaces, slabs, or lots for trailers or mobile homes
- Tourist home
- Rooming house
- Apartment house
- Private home

Exemptions

Income derived from the following business activities is not subject to the transient occupancy (bed) tax.

- Foster homes, sheltered care homes
- Rest homes, nursing homes
- Primary health care facilities
- Jails
- Hospitals

Important Information

If you choose to separately bill and collect the tax, you must remit the total amount collected even if it exceeds the calculated tax liability. The excess tax collected must be remitted to the city as excess collections.

Tax Rate

The sales tax rate on lodging is 7.78% of the gross income of the business activity plus an additional 3% transient occupancy (bed) tax applies.

State of Arizona and	
Mohave County	5.78 %
Lake Havasu City	2.00 %
Sales Tax Rate	7.78 %
Bed Tax Rate	3.00 %
Total	10.78 %

Factored Sales Tax

You may choose to include the sales and bed taxes in the total lodging price, rather than show the taxes separately. If so, use the following method to "back into" the taxes. If you sell a lodging space for \$100.00, including taxes, the tax calculation for sales taxes due is

$\frac{\text{Sale Price Including Taxes}}{1 + \text{Tax Rates}}$	=	Sale Price Excluding Taxes		
$\frac{\$100.00}{1.1078}$	=	\$90.27		
$\$100.00 - \90.27	=	\$9.73 Taxes		
Tax	Sales Price	Tax Rate	=	Tax Due
Sales	\$90.27	x 7.78%	=	\$7.02
Bed	\$90.27	x 3.00%	=	\$2.71
	Total Tax		=	\$9.73

Frequently Asked Questions

Q: When are the reports due?

A: Reports are due by the 20th of the month following the reporting month. Reports are considered delinquent if post-marked after the 25th of the month or not received the day prior to the last business day of the month.

Q: Are there penalties for filing or paying late?

A: Yes. If delinquent, the penalty is .5% for Failure to Pay plus 4.5% for Failure to File the return, calculated on the total tax due. Once determined to be delinquent, the penalties begin to accrue from the initial due date, and continue monthly until the reports are filed and the taxes due are paid.

Q: What if I don't have any taxable income, and owe no tax for a month?

A: A return is still required to be filed, stating zero taxable income and tax due.

Q: What if my business has stopped activity that qualifies for the Transient Occupancy (Bed) Tax - who should I notify?

A: The city's Finance Department must be notified in writing, which can be done on the return, in the section provided. The city's Business License Section also needs to be notified by telephone.