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Bulletin

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Hotel Operators' Occupation Tax Exemption for Qualifying Organizations

To: Hotel Operators

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

Effective July 1, 2023, certain qualifying organizations are exempt from paying Hotel Operators' Occupation Tax on gross rental receipts for rooms (Public Act 103-9).

What is a qualifying organization?

To qualify, such organizations must

- be organized and operated exclusively by an organization chartered by the United States Congress to provide disaster relief, and
- possess an active Illinois Exemption Identification Number issued by the Illinois Department of Revenue (IDOR).

For more information on exemptions, see our [Resource Page for New Hotel Operator's Occupation Tax Exemption](#).

How does the qualifying organization use this exemption?

The organization must make the payment itself for the renting of the rooms. Hotel operators cannot allow the exemption if they accept payment from any other person. To qualify, the organization must provide the following to the hotel operator:

- documentation or proof the renting, leasing, or letting of the room is associated with the organization, such as, for example, an employee identification badge; and
- a copy of the active Illinois Exemption Number Certificate issued by IDOR. (Note: It is the operator's responsibility to verify that the organization's Illinois Exemption Identification Number is valid and active. You can verify this by visiting MyTax Illinois at mytax.illinois.gov.)

How do hotel operators claim this exemption?

Hotel operators should claim this exemption in the same manner as all other deductions by using Form RHM-1, Hotel Operators' Occupation Tax Return, Line 4. Enter the description and amount, excluding state and local taxes you collected, of each "other deduction" you are claiming. The total of all other deductions must equal the amount on Line 4. IDOR will disallow any deduction that is not itemized.

** IDOR is in the process of drafting rules for this exemption. Additional information will be provided as it become available.*

For information
Visit our website at:
tax.illinois.gov

Call us at:
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