

LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Transient Occupancy Tax Exemption Increase]

Ordinance amending the Business and Tax Regulations Code to increase the daily transient occupancy tax exemption amount from less than \$52 to less than \$60; to increase the weekly transient occupancy tax exemption amount from less than \$130 to less than \$149; and to require review in the September 2027 - September 2029 time frame by the Controller of the exemption amounts for the purpose of considering adjustments in the amounts.

Existing Law

Existing law provides that no transient occupancy tax shall be imposed where the rent is less than \$52 per day or less than \$130 per week. The Controller is required to review these exemption amounts between September 1, 2022 and September 1, 2024, and to make a written report and recommendation to the Mayor as to whether they should be adjusted.

Amendments to Current Law

This ordinance would increase the exemptions from the transient occupancy tax to less than \$60 per day or less than \$149 per week. These changes would apply to hotel stays commencing on or after the first day of the month following the effective date of this ordinance. This ordinance also would require the Controller to review these exemption amounts between September 1, 2027 and September 1, 2029, and to make a written report and recommendation to the Mayor as to whether they should be adjusted.

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