



Indiana County Innkeeper's Tax Guide

Updated September 2020



Indiana Department of Revenue

A Guide to Indiana County Innkeeper's Tax

Welcome to the Indiana Department of Revenue's (DOR) guide to County Innkeeper's (CIT) tax. In this document, you will find:

- How does CIT work?
- What transactions are subject to CIT?
- Does CIT apply to casual renters?
- What is the role of Marketplace Facilitators?
- How much CIT do I need to collect?
- How do I register for and pay CIT?
- Additional Resources
- DOR Contact Information

How does CIT work?

CIT is a county tax on the rental of rooms and accommodations for periods of less than 30 days. CIT is in addition to state sales tax.

Once the county decides the need for additional funding through CIT, they will need the support of their local state legislator. The legislator will then introduce a bill for consideration during the legislative session. Legislation may include requirements for the county to pass an ordinance or specify the duration CIT will be collected.

Affected businesses register for and collect CIT for each eligible transaction. If county ordinance designates the county as a point of collection, CIT will be remitted to the county where the property sits. If county ordinance designates DOR as the point of collection, CIT will be remitted to DOR. Marketplace facilitators must submit all CIT to DOR, regardless of local ordinances. Businesses remit CIT to DOR when filing and paying other "trust taxes" such as sales tax, or file and remit it directly to the county.

What transactions are subject to CIT?

Transactions that are exempt from state sales tax are not subject to CIT. In counties which have enacted CIT, taxable accommodations can include (but are not limited to):

- Rooms in hotels, motels, lodges, ranches, villas, apartments, houses, bed and breakfast establishments, vacation homes or resorts.
- Gymnasiums, coliseums, banquet halls, ballrooms, arenas or other similar accommodations regularly offered for rent.
- Cabins, cottages, tents or fixed trailers.
- Campsites, where authorized by statute and ordinance, regardless of whether any amenities, such as water or electricity, are included.
- Houseboats and other craft with overnight facilities.
- Space in camper parks and trailer parks where areas are regularly offered for rent for periods of less than 30 days.
- College memorial unions, college or university residence halls and dormitories (does not apply to students residing in a residence hall while participating in a course of study for college credit at a college or university located in that county.)
- Houses, apartments, condominiums or other personal residences available for rent.

Some counties have a minimum room threshold for CIT or differences in the type of accommodations subject to CIT. Refer to websites listed in “Additional Resources” for more information.

Nonprofits and governmental agencies should consult Sales Tax Information Bulletin #41 at dor.in.gov/reference/files/sib41.pdf for information on exempt sales.

CIT does not apply when renting for 30 or more days.

When the accommodation is a personal residence (such as a house, apartment or condominium), the homeowner should collect and pay CIT unless they are renting the property through a marketplace facilitator or they qualify for the casual renter’s exemption (see below).

Does CIT apply to casual renters?

Owners of a house, condominium or apartment that is the owner’s primary personal residence may rent or furnish rooms, lodgings or other accommodations in that residence exempt from sales tax and any applicable CIT if the following conditions are met:

- At least one owner of a house, condominium or apartment maintains the house, condominium or apartment as the owner’s primary personal residence;
- The owner rents or furnishes rooms, lodgings or other accommodations in the residence for fewer than 15 days in the current or preceding calendar year; and
- The payments for the rooms, lodgings or other accommodations qualifies for the “14-day rent rule” under Section 280A(g) of the Internal Revenue Code.

All transactions for periods of less than 30 days that utilize a marketplace facilitator are subject to CIT.

What is the role of marketplace facilitators?

Effective July 1, 2019, marketplace facilitators that facilitate the rental of accommodations for periods less than 30 days must collect CIT.

A marketplace is generally considered any forum that connects buyers and sellers for the purpose of making retail transactions (IC 6-2.5-1-21.7). A marketplace facilitator is generally considered to be a person that operates a marketplace and collects payments or provides access to payment services (IC 6-2.5-1-21.9). For more information on marketplace facilitators, see dor.in.gov/business-tax/remote-seller-information/marketplace-facilitators.

All marketplace facilitators *are required to submit CIT directly to DOR* and should not register directly with counties that collect CIT. See “How do I register for and pay CIT?” for more information. Marketplace facilitators do not need to register separately for each adopting county on INBiz. Upon successful completion of the initial (Form BT-1) registration, DOR will contact the marketplace facilitator to complete the county registration for all adopting counties.

Marketplace facilitators should file monthly CIT returns for each adopting county where they conducted or facilitated any accommodations.

How much CIT do I need to collect?

CIT rates vary by county can be found on DOR’s website at dor.in.gov/business-tax/tax-rates-fees-and-penalties/county-innkeepers-tax or dor.in.gov/business-tax/county-tax-information. Addresses and zip codes used by the U.S. Postal Service may not be accurate for tax purposes. If you are near a county border, DOR suggests first entering your address into our online tool at bit.ly/2HOreDX.

The rates on DOR's website may not represent all current county rates, as they may have changed. Counties are responsible for notifying DOR of any change in tax rates and boundaries. Please reach out to the specific county for its most up-to-date rates. If your county is new to CIT and it is not yet in effect, contact them directly for tax rates.

How do I register for and pay CIT?

With the exception of marketplace facilitators who remit directly to DOR, CIT is remitted to either DOR or to the county that enacted the tax. A return must be filed for each adopting county. A retail merchant with annual collections of less than \$1,000 will only be required to file a return annually.

If CIT is remitted to DOR, the business must register for INBiz and/or add CIT to their INBiz account at inbiz.in.gov. After registering on INBiz, businesses can file CIT returns and pay using the Indiana Taxpayer Information Management Engine (INTIME), DOR's new e-services portal at INTIME.dor.in.gov.

CIT collected at the county level must be paid monthly and reported on forms approved by the county treasurer.

Refer to dor.in.gov/business-tax/tax-rates-fees-and-penalties/county-innkeepers-tax for a list of CIT rates, effective dates, collection points and specific county forms.

Note: To pay in INTIME, a business must allow at least 24 hours after registering for CIT in INBiz. For help registering for INBiz, you may contact INBiz at (317) 234-9768.

Additional Resources

- DOR provides a summary on the amount of CIT it has collected; visit dor.in.gov/business-tax/tax-rates-fees-and-penalties/county-innkeepers-tax for reports and to subscribe for email updates
- General Tax Information Bulletin #204 – County Innkeeper's Taxes: dor.in.gov/reference/files/gb204.pdf
- Sales Tax Information Bulletin #41 – Sales Tax Application to Furnishing of Accommodations: dor.in.gov/reference/files/sib41.pdf
- Sales Tax Information Bulletin #89 – Registration, Collection, and Remittance Requirements for Remote Sellers and Marketplace Facilitators: dor.in.gov/reference/files/sib89.pdf
- INTIME User Guide

DOR Contact Information

If you have additional questions about CIT, contact DOR at:

- Email: countyinnkeepertax@dor.in.gov
- Phone: 317-232-2240
- By mail:
Indiana Department of Revenue
Policy Division
100 N. Senate Ave., N248, MS 102
Indianapolis, IN 46204

Do not mail CIT returns to this address.