



STATE OF CONNECTICUT  
DEPARTMENT OF REVENUE SERVICES

PS 2001(2)

25 Sigourney Street  
Hartford CT 06106-5032

POLICY STATEMENT

## Room Occupancy Tax and Sales and Use Tax on Campground and Cottage Rentals

**Purpose:** This Policy Statement explains the room occupancy tax and sales and use tax obligations of campgrounds and persons who rent cottages. Operators of campgrounds should also refer to **Policy Statement 92(15.1), Application of Sales and Use Taxes and the Room Occupancy Tax to the Hotel/Motel Industry**, for additional information about how to properly collect tax on their charges.

**Effective Date:** Effective upon issuance; vendors must be in compliance with the policies in this Policy Statement by April 1, 2001.

**Statutory Authority:** Conn. Gen. Stat. §§12-407(2), 12-407(17), 12-407(19), 12-408(1), 12-411(1), and 12-412(26).

**Sales and Use Taxes:** Sales and use taxes are imposed on the sale or rental of tangible personal property at a rate of 6%.

**Room Occupancy Tax:** The room occupancy tax is imposed on a transfer for consideration of the occupancy of any room or rooms in a hotel or lodging house for 30 consecutive calendar days or less. The tax rate is 12% of the total rent received for occupancy of the room or rooms for up to 30 consecutive calendar days. Beginning on the 31st consecutive day of occupancy by the same person, the tax no longer applies. The term *person* includes, among others, any individual, firm, partnership, joint venture, association, social club, fraternal organization, corporation, limited liability company, or a Connecticut state agency, federal agency, or Connecticut municipal government agency.

**Taxability of Sales or Rentals of Campsites, Cabins, and Cottages:** Campgrounds typically offer several types of accommodations. Some of these accommodations may be considered *lodging houses*, the rental of which are subject to the room occupancy tax. A *lodging house* is any building or portion of a building, other than a hotel or apartment hotel, in which persons are lodged for hire with or without meals, including, but not limited to, any motel, motor court, motor inn, tourist court or similar accommodation.

The term *lodging house* does not include privately owned and operated summer camps for children, summer camps for children operated by religious or charitable organizations, or lodging accommodations at any facility operated by and in the name of any nonprofit charitable organization, provided the income from the lodging accommodations at the facility is not subject to federal income tax.

The taxability and tax rate of rentals by campgrounds depends on the kind of property being rented:

- **A campsite (with or without a lean-to)** is not a *lodging house* and is not taxable. Rental of a campsite that does not have a building on it (other than an open structure such as a lean-to) is the rental of real property, which is not subject to either the room occupancy tax or sales and use taxes. This is the case whether or not the campsite has electricity or sewer hookups and whether or not the customer parks a recreational vehicle ("RV") or erects a tent on the campsite.
- **A campsite with a tent, RV, or trailer included in the rental** is taxable at 6% as the sale or rental of tangible personal property. (If the charge for the rental of the RV or tent is separately stated from the charge for the rental of the campsite, the charge for the campsite is excluded from tax.) Since this rental is subject to sales tax, not room

occupancy tax, it is taxable at 6% even if the rental continues beyond 30 days. In addition, the exclusion from the room occupancy tax for rentals made by a charitable organization does not apply to this type of rental because it is subject to the sales tax. However, the exemption for sales of \$20 or less per item by eleemosynary organizations or certain schools for youth activities may apply.

- **A campsite with a cabin and common facilities** is taxable at 12% as occupancy in a *lodging house*. However, if the rental is for at least 31 consecutive calendar days, the tax no longer applies beginning on the 31st consecutive day of occupancy by the same person. *Common facilities* are made available to all occupants of the campground and include, but are not limited to, a campground management office, parking lot, common driveway, convenience store, restaurant or other meal service offered by the campground, playground, pool, or shower building. Whether or not water, gas or electric services are offered, such a campsite is considered a *lodging house*.

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**Cabin or Cottage Rentals:** The rental of a cabin or cottage *without* common facilities is the rental of real property and not taxable. This kind of cabin or cottage is a self-contained private residence, not located on a campground, which typically is rented out by its owner during the summer months.

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**Examples:** The following examples illustrate the taxation of rentals at campgrounds and cottage rentals:

- *Campsite that is either bare or has a lean-to:* Not subject to either room occupancy tax or sales and use taxes.
- *Campsite including a tent or RV:* Subject to 6% sales and use taxes, but not subject to room occupancy tax, without regard to the duration of the rental. If the charge for the campsite is separately stated from the charge for the tent or RV, it is not subject to sales and use taxes.
- *Cabins on a campground with a rental office and a convenience store:* Each cabin's rental for the first 30 consecutive calendar days to the same person is subject to 12% room occupancy tax, but not subject to sales and use taxes. No tax is due on the rental from the 31st day forward.

- *Two or more cottages with a shared parking lot and a rental office and are identified as being for rent by a sign near the road:* Each cottage's rental for the first 30 consecutive calendar days to the same person is subject to 12% room occupancy tax, but not subject to sales and use taxes. No tax is due on the rental from the 31st day forward.
- *A private residential cottage on the shore, without common facilities other than a shared driveway:* Not subject to either room occupancy tax or sales and use taxes.

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**Effect on Other Documents:** None affected.

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**Effect of This Document:** A Policy Statement is a document that explains in depth a current DRS position, policy or practice affecting the tax liability of taxpayers.

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**For Further Information:** Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

**TTY, TDD, and Text Telephone users only** may transmit inquiries 24 hours a day by calling 860-297-4911.

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**Forms and Publications:** Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: [www.drs.state.ct.us](http://www.drs.state.ct.us)
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.