

OTHER ROOM CHARGES				
Revenue Description	Taxable Yes or No	Tax Type	Additional Comments	Authority
<i>Note: Commissions paid to the hotel by outside vendors are not subject to tax.</i>				
1. Telephone Charges:				
a. Local Charges (Mark-up on Carrier Charges)	Yes	Sales	Collect 6.25% state sales tax; collect local sales tax, but only for local jurisdictions that tax telecommunications services.	Tex. Tax Code §§151.0101(a)(6), 151.0103, and 321.210; 34 Tex. Admin. Code §3.344
b. Long Distance Intrastate Charges (Mark-up on Carrier Charges)	Yes	Sales	Collect 6.25% state sales tax; collect local sales tax, but only for local jurisdictions that tax telecommunications services.	
c. Long Distance Interstate Charges (Mark-up on Carrier Charges)	Yes	Sales	Collect 6.25% state sales tax; not subject to local sales taxes.	
2. Guest Laundry/Dry Cleaning:				
a. Hotel is retailer and seller of services	Yes	Sales	Laundry services are taxable.	Tex. Tax Code §151.0101(a)(5); 34 Tex. Admin. Code §3.310
b. Outside vendor performs services, bills guest	Yes	Sales	Outside vendor collects tax from guest.	
c. Outside vendor performs services, bills hotel, and hotel marks up charges to guest	Yes	Sales	The hotel issues the vendor a sales and use tax resale certificate (Form 01-339) and collects tax from the guest on the total charge to the guest, including any mark-up, for the laundry service.	Tex. Tax Code §§151.006, 151.0101(a)(5), 151.054, and 151.302(a); 34 Tex. Admin. Code §3.310
3. Pay-per-view television				
(The pay-per-view provider owns and services equipment in hotel. Services and selections are controlled by provider.)				
a. Pay-per-view provider bills guest	Yes	Sales	Pay-per-view provider collects tax from guest.	Tex. Tax Code §§151.0033 and 151.0101(a)(2); 34 Tex. Admin. Code §3.313
b. Pay-per-view provider bills hotel and hotel marks up charges to the guest	Yes	Sales	The hotel issues the pay-per-view provider a sales and use tax resale certificate (Form 01-339) and collects tax from the guest on the total charge, including any mark-up, for the pay-per-view service.	Tex. Tax Code §§151.0033, 151.006, 151.0101(a)(2), 151.054, and 151.302(a); 34 Tex. Admin. Code §3.313

c. Pay-per-view provider bills hotel and hotel charges a reimbursement on the same amount to guest	Yes	Sales	The hotel may issue a sales and use tax resale certificate (Form 01-339) to the pay-per-view provider and collect tax from guest, or the hotel may pay sales tax to the pay-per-view provider. If the hotel pays sales tax to the pay-per-view provider and charges the guest a "reimbursement" of the exact amount paid to the provider including the sales tax, the reimbursement is nontaxable if the hotel purchases the services as the agent for the pay-per-view provider. The requirements for establishing an agency relationship are in Comptroller's Decision No. 36,187 (1999) (STAR Accession No. 9906552H). The charge must be identified as a "reimbursement."	Tex. Tax Code §§151.0033, 151.0101(a)(2), and 151.054; 34 Tex. Admin. Code §3.313; Comptroller's Decision No. 105,853 (2012) (STAR Accession No. 201209600H)
4. Video Game Rental	Yes	Sales	Rental of tangible personal property is taxable.	Tex. Tax Code §151.005(2); 34 Tex. Admin Code §3.294
5. Internet Charges	Yes	Sales	Internet access services are taxable. Although the first \$25 of the Internet service providers' charge to the hotel is exempt, hotels often cannot track charges per guest. Because they do not know when to start collecting tax, hotels often collect tax on all services.	Tex. Tax Code §§151.00394 and 151.0101(a)(16); 34 Tex. Admin. Code §3.366
6. Self-Parking				
a. Hotel is retailer and seller of services	Yes	Sales	Hotel collects tax on charges to park or store a motor vehicle.	Tex. Tax Code §151.0101(a)(4); 34 Tex. Admin. Code §3.315
b. Outside vendor performs services and bills guest	Yes	Sales	Outside vendor collects tax from guest.	
c. Outside vendor performs services, bills hotel, and hotel marks up charges to guest	Yes	Sales	The hotel issues the vendor a sales and use tax resale certificate (Form 01-339) and collects tax from the guest on the total charge, including any mark-up, for the parking service.	Tex. Tax Code §§151.006, 151.0101(a)(4), 151.054, and 151.302(a); 34 Tex. Admin. Code §3.315
7. Valet Parking				
a. Hotel is retailer and seller of services	Yes	Sales	Hotel collects tax on charges to park or store a motor vehicle.	Tex. Tax Code §151.0101(a)(4); 34 Tex. Admin. Code §3.315(b)
b. Outside vendor performs services and bills guest	Yes	Sales	Outside vendor collects tax from guest.	

c. Outside vendor performs services, bills hotel, and hotel marks up charges to guest	Yes	Sales	The hotel issues the vendor a sales and use tax resale certificate (Form 01-339) and collects tax from the guest on the total charge, including any mark-up, for the parking service.	Tex. Tax Code §§151.006, 151.0101(a)(4), and 151.054; 34 Tex. Admin. Code §3.315(b)
8. Garage Parking				
a. Hotel is retailer and seller of services	Yes	Sales	Hotel collects tax on charges to park or store a motor vehicle.	Tex. Tax Code §151.0101(a)(4); 34 Tex. Admin. Code §3.315
b. Outside vendor performs services and bills guest	Yes	Sales	Outside vendor collects tax from guest.	Tex. Tax Code §151.006, 151.0101(a)(4), 151.054, and 151.302(a); 34 Tex. Admin. Code §3.315
c. Outside vendor performs services, bills hotel, and hotel marks up charges to guest	Yes	Sales	The hotel issues the vendor a sales and use tax resale certificate (Form 01-339) and collects tax from the guest on the total charge, including any mark-up, for the parking service.	Tex. Tax Code §151.006, 151.0101(a)(4), 151.054, and 151.302(a); 34 Tex. Admin. Code §3.315