Illinois Department of Revenue

Form RHM-1 Instructions

General Information

Who must file Form RHM-1?

You must file Form RHM-1, Hotel Operators' Occupation Tax Return, if you are in the business of renting, leasing, or letting rooms to persons for periods of less than 30 consecutive days. This requirement applies to hotel operators, including hotel marketplace facilitators and re-renters as defined in **Publication 106, Hotel Operators' Occupation Tax**. Prior to starting such a business, you must obtain a certificate of registration from us. Review Publication 106 for more information about requirements and qualifications.

When must I file Form RHM-1?

If you are a **monthly** filer, your return is due on or before the last day of the month following the month for which you are filing. If you are a **quarterly** filer, your return is due on or before the last day of the month following the quarter for which you are filing. If you are an **annual** filer, your return is due on or before January 31 of the year following the year for which you are filing.

Note: You must file monthly unless we notify you to do otherwise.

Must I file Form RHM-1 even if I have no receipts from renting, leasing, or letting rooms or no net receipts for which tax is due for a reporting period?

Yes. You must file a processable (signed) Form RHM-1 for each reporting period regardless of whether there are receipts to report. If you have no receipts to report, you must file a "zero" return.

Can I file this return electronically?

Yes, you can use MyTax Illinois at **mytax.illinois.gov** to file your Form RHM-1 and, if necessary, your Form RHM-7, Hotel Operators' Occupation Tax Multi-Site Schedule.

What should I do if I have multiple sites?

If you have businesses at more than one site, you must complete and attach Form RHM-7, to your Form RHM-1. If you are using more than one Form RHM-7, add all page totals for each column, and transfer the grand totals to the appropriate lines on this return.

What if I fail to file and pay the amount I owe?

You owe a **late-filing penalty** if you do not file a processable return by the due date, a **late-payment penalty** if you do not pay the tax you owe by the date the tax is due, and a **bad check penalty** if your remittance is not honored by your financial institution. Interest is calculated on tax from the day after the original due date of your return through the date you pay the tax. We will bill you for penalties and interest. For more information about penalties and interest, see Publication 103, Penalties and Interest for Illinois Taxes. To receive a copy of this publication, visit our website at **tax.illinois.gov.**

How long must I retain my records?

You must retain the records required to substantiate this return for at least 3.5 years from the due date of the return or the date filed, whichever is later.

What if I need to correct a previously filed return?

If you need to correct a previously filed Form RHM-1, you must complete Form RHM-1-X, Amended Hotel Operators' Occupation Tax Return. You can use MyTax Illinois to file your RHM-1-X for any reporting periods where the original RHM-1 was filed electronically.

Where do I mail my completed Form RHM-1?

Mail your completed Form RHM-1, and payment (if applicable) to us at:

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19019
SPRINGFIELD IL 62794-9019

How do I get help?

For more detailed information, see Publication 106. If you have questions or need help completing your return, you can call us weekdays between 8:00 a.m. and 4:00 p.m. at **217-782-5906.** You may also visit our website at **tax.illinois.gov** or scan the QR code provided. Language assistance services are available upon request and are free of charge.

Specific Instructions

Step 1: Figure your taxable receipts and deductions

Line 1 - Enter the total receipts. Include all room rental receipts, state, and local tax collected for this reporting period.

Note: Marketplace hotel operators that rent, lease, or let rooms in hotels through a hotel marketplace facilitator but also directly without the use of a hotel marketplace facilitator are considered standard hotel operators and must file Form RHM-1 and Form RHM-7, if applicable, for their transactions outside of the marketplace. Marketplace hotel operators filing Form RHM-1 must exclude receipts for rentals made through a hotel marketplace facilitator that remits Hotel Operators' Occupation Tax (HOOT) to the Illinois Department of Revenue (IDOR) on the operator's behalf. The hotel marketplace facilitator is responsible for reporting these receipts to IDOR. If all of a marketplace hotel operator's receipts are for rentals through hotel marketplace facilitators who are responsible for (or have agreed to) remit HOOT to IDOR on the operator's behalf, then the operator has no obligation to report receipts.

Note: You cannot report a negative amount of receipts on Form RHM-1 or for any locations on an RHM-7 filed with the RHM-1. If you are taking a deduction for a refund to a customer and that deduction will result in negative receipts for Form RHM-1 or for any location on an RHM-7 filed with the RHM-1, you must instead file an amended return for the period in which the receipts were originally reported.

Line 2 - Enter the total of local hotel taxes paid directly to a local jurisdiction. For marketplace hotel operators, this **does not** include local hotel taxes paid on the operator's behalf by a hotel marketplace facilitator. For all taxpayers, this does not include the following local hotel taxes: Chicago Municipal Hotel Tax, Illinois Sports Facilities Tax (ISFT), and Metropolitan Pier and Exposition Authority (MPEA) Hotel Tax.

Line 3 - Enter the total receipts, excluding state and local taxes you collected, from rooms of permanent guests (persons who occupy or have the right to occupy any rooms for at least 30 consecutive days).

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. We will disallow any deduction that is not itemized. "Other deductions" include, but are not limited to, meeting rooms, rooms occupied by authorized persons of the diplomatic corps (*e.g.*, consuls and diplomats), display rooms, sample rooms, offices, and private dining rooms.

For additional information on deductions, see the "Deduction and Reporting Information for Businesses who File Form RHM-1" section on our **Hotel Operators' Occupation Tax Information Page** and in Publication 106.

Line 5 - If the hotel is located in Chicago, enter the MPEA Hotel Tax you collected for this liability period. If you do not know this amount, you must add Lines 2, 3 and 4; subtract this amount from Line 1; then multiply this amount by .02234.

Line 6 - Figure your total deductions or credit. Add Lines 2 through 5.

Line 7 - Figure your taxable base. Subtract Line 6 from Line 1.

Step 2: Figure your tax

Line 8 - Figure your State tax. Multiply Line 7 by .0564.

Line 9 - Figure your Chicago taxes, if applicable. Multiply Line 7 by .05235.

Tax rates are available on our **Excise Tax Rates and Fees Page**.

Step 3: Figure your discount

Line 11 - If you file your return and pay on time (postmarked or delivered on or before the due date), multiply Line 10 by the preprinted rate.

Note: For the entire calendar year, you are entitled to a cost of collection discount of $25 or 2.1 percent of Line 10, whichever is greater. When you file your December return, check all the returns you have filed for that year. If the total of your cost of collection discounts on all returns (except the return for December) is less than $25, write the difference on Line 11.

Line 15- If you have a credit memorandum issued to you by IDOR, or a prior overpayment, and you wish to use it towards what you owe, enter the amount you are using.

Line 16 - Figure your payment due. Subtract Line 15 from Line 14. This is the amount you owe. If you do not pay the tax you owe by the due date, you will owe additional penalty and interest. We will bill you for penalties and interest you owe. For more information, see **Publication 103, Penalties and Interest for Illinois Taxes**.

Step 5: Sign below

If this return is completed by a paid tax preparer, the preparer must sign on the second line. Whether or not this return is completed by a paid tax preparer, an owner, partner, or officer of the business must sign on the first line.