

Under the Hotel Operators' Occupation Tax, hotel is defined to mean any building in which the public may for consideration obtain sleeping accommodations. See 86 Ill. Adm. Code 480.101. (This is a GIL.)

February 24, 2010

Dear Xxxxx:

This letter is in response to your letter dated September 24, 2009, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

COUNTY Bureau would like your assistance in definitive answer for the following:

- A campground has purchased in 2009, three tepees and rents them out. 18 foot across and sleeps 8 people. There are no beds furnished. They must bring their own sleeping bag.

A tepee is defined in the Merriam-Webster online dictionary as 'a conical tent usually consisting of skins and used especially by American Indians of the Great Plains.' A tent is defined as a 'collapsible shelter of fabric stretched and sustained by poles and used for camping outdoors or as a temporary building.

Does a tepee apply to the Hotel Operator's [sic] Occupation Tax? If so, would you also please clarify why tents are not subject to the tax and a tepee would be?

We understand it may take time to receive an answer. Would you please send notification that you did receive our request and a possible timeline of when to expect a response and who/how we should follow-up if the timeline is not met?

We appreciate your assistance in this matter.

## **DEPARTMENT'S RESPONSE:**

The Hotel Operators' Occupation Tax Act ("HOOT") imposes a tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel, as defined in the Act. HOOT defines "hotel" to include any building or buildings in which the public may, for consideration, obtain living quarters, sleeping or housekeeping accommodations. See 35 ILCS 145/2(1). See also 86 Ill. Adm. Code 480.101, which explains the nature, rate and scope of HOOT.

HOOT defines "rent" as "the consideration received for occupancy, valued in money, whether received in money or otherwise, including all receipts, cash, credits and property or services of any kind or nature." See 35 ILCS 145/2(6). The definition of "rent" must be read in conjunction with the term "occupancy." HOOT defines "occupancy" as "the use or possession, or the right to the use or possession, of any room or rooms in a hotel for any purpose, or the right to the use or possession of the furnishings or to the services and accommodations accompanying the use and possession of the room or rooms." See 35 ILCS 145/2(3).

There is no corresponding tax imposed upon hotel room occupants. Rather, a hotel operator may reimburse himself for his HOOT liability by collecting a corresponding reimbursement charge from a room occupant. Although a hotel operator may state the reimbursement charge as "hotel tax" on his bill, it is nothing more than a reimbursement charge. In our opinion, the only rental receipts not subject to the HOOT are receipts from the rental of rooms to permanent residents or to certain foreign diplomats. Given the structure of the tax, the hotel operator will incur HOOT liability on the rental receipts even when he is not reimbursed by the room occupant.

While we understand that tepees may not be considered the equivalent of standard hotel rooms, the tax does not distinguish between the renting of permanent or temporary structures. We believe that the statutory language that imposes the tax upon any buildings rented as sleeping accommodations encompasses the rental of tents or tepees as sleeping accommodations.

I hope this information is helpful. If you require additional information, please visit our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) or contact the Department's Taxpayer Information Division at (217) 782-3336.

Very truly yours,

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