



informational

Bulletin

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Hotel Operators' Occupation Tax Changes, Effective July 1, 2026

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

To: Hotel operators, hotel marketplace facilitators (including re-renters, and short-term hosting platforms) and hotel marketplace operators

Illinois statutes have been updated to clarify the definition of and related reporting requirements for hotel operators.

Beginning July 1, 2026,

- The 200-transaction threshold for requiring re-renters of hotel rooms to collect and pay hotel operators' occupation tax will be removed.
- If the renting, leasing, or letting of a hotel room is done through a hotel marketplace facilitator that has met the \$100,000 tax remittance threshold discussed below, then the hotel marketplace facilitator is the hotel operator and must register for a Hotel Operators' Occupation Tax Account with the Illinois Department of Revenue (IDOR).
- "Hotel marketplace facilitator" includes re-renters of hotel rooms (see definition below) and hosting platforms for short-term rentals who otherwise meet the definition of "hotel marketplace facilitator."

See [Public Act 104-0468](#).

What new definitions have been added to the Hotel Operators' Occupation Tax Act?

Public Act 104-0468 added the following definitions to the Hotel Operators' Occupation Tax Act:

- **Hotel marketplace** - a physical or electronic place, forum, platform, application, or other method by which marketplace hotel operators rent, lease, or let or offer to rent, lease, or let rooms in hotels.

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- **Hotel marketplace facilitator** - a person who, pursuant to agreements with unrelated third-party marketplace hotel operators, directly or indirectly through one or more affiliates, facilitates the renting, leasing, or letting of rooms in hotels by unrelated third-party marketplace hotel operators by:
 1. listing or advertising for rent, lease, or letting by marketplace hotel operators in a hotel marketplace, hotel rooms, the renting, leasing, or letting of which is subject to tax under this Act; and
 2. either directly or indirectly, through agreements or arrangements with third parties, collecting payment from customers and transmitting those payments to the marketplace hotel operator regardless of whether the hotel marketplace facilitator receives compensation or other consideration in exchange for its services.

In situations where two or more parties meet the definition of “hotel marketplace facilitator,” the parties are allowed to make an agreement as to which party will be responsible for collecting and remitting the hotel operators’ occupation tax on rentals through a hotel marketplace. However, the chosen party must be registered with IDOR to remit the hotel operators’ occupation tax. 35 ILCS 145/3(b-20).

Note: Beginning July 1, 2026, “hotel marketplace facilitator” includes re-renters of hotel rooms (see definition below) and hosting platforms for short-term rentals who otherwise meet the definition of “hotel marketplace facilitator.”

- **Marketplace hotel operator** - a person who rents, leases, or lets rooms in a hotel through a hotel marketplace operated by an unrelated third-party hotel marketplace facilitator.

What are re-renters of hotel rooms and hosting platforms for short-term rentals?

“**Re-renters of hotel rooms**” are persons who are not employed by a hotel operator but who, either directly or indirectly, through agreements or arrangements with third parties, collect or process the payment of rent from a guest of a hotel for a hotel room located in Illinois and either

- obtain the right or authority to grant control of, access to, or occupancy of a hotel room in Illinois to a guest of the hotel; or
- facilitate the booking of a hotel room located in Illinois.

Persons who obtain those rights or authorities are not considered re-renters of hotel rooms if they operate under a shared hotel brand with the operator.

“**Hosting platform**” means a person who provides an online application, software, website, or system through which a short-term rental located in this State is advertised or held out to the public as available to rent for occupancy. “Short-term rental” means an owner-occupied, tenant-occupied, or non-owner-occupied dwelling including, but not limited to, an apartment, house, cottage, or condominium, located in this State where:

- at least one room in the dwelling is rented to an occupant for a period of less than 30 consecutive days, and
- all accommodations are reserved in advance; provided, however, that a dwelling shall be considered a single room if rented as such.

Threshold information for re-renters (including hosting platforms for short-term rentals) that do not meet the definition of hotel marketplace facilitators

Beginning July 1, 2026, the 200-transaction threshold for re-renters (including hosting platforms for short-term rentals) has been removed. Re-renters of hotel rooms that are headquartered outside of Illinois and have no presence in Illinois other than their business as re-renters, conducted remotely, shall determine on a quarterly basis, ending on the last day of March, June, September, and December, whether they meet the following threshold for the preceding 12-month period:

- the cumulative gross receipts from rentals in Illinois by the re-renter of hotel rooms are \$100,000 or more. See 35 ILCS 145/3(b-40).

Re-renters who meet the tax remittance threshold must register and remit State and local hotel operators' occupation taxes administered by IDOR on their re-rentals. Beginning July 1, 2026, re-renters are no longer authorized to claim a credit for tax paid to hotel operators. Re-renters who meet the tax remittance threshold and meet the definition of "hotel marketplace facilitator" are classified as hotel marketplace facilitators rather than as re-renters.

If you are a re-renter who previously met the 200-transaction threshold but not the \$100,000 gross receipts threshold, you must review your sales for the 12-month lookback period ending on June 30, 2026, to determine if you met the \$100,000 threshold and are required to remit State and local hotel operators' occupation taxes administered by IDOR beginning July 1, 2026. If you discover during a lookback period that you do not meet the threshold, you may voluntarily continue remitting State and local hotel operators' occupation taxes administered by IDOR.

When is a hotel marketplace facilitator required to register for a Hotel Operators' Occupation Tax Account?

Beginning July 1, 2026, if the renting, leasing, or letting of a hotel room is done through a hotel marketplace facilitator that has met the tax remittance threshold listed below, then the hotel marketplace facilitator is the hotel operator and must register for a Hotel Operators' Occupation Tax Account with IDOR and remit the State hotel operators' occupation tax and the local hotel operators' occupation taxes administered by IDOR, rather than the marketplace hotel operator.

How does a hotel marketplace facilitator determine if it meets the tax remittance threshold?

The tax remittance threshold is determined on a quarterly basis, ending on the last day of March, June, September, and December, and is met if the hotel marketplace facilitator has \$100,000 or more in cumulative gross receipts from renting, leasing, or letting rooms to guests in Illinois hotels on its own behalf or on behalf of marketplace hotel operators during the preceding 12-month period.

If the threshold is met, the hotel marketplace facilitator is required to remit State and local hotel operators' occupation taxes administered by IDOR for the one-year period beginning on the first day of the next quarter. If its gross receipts equal or exceed \$100,000 for that one-year period, it must continue to remit State and local hotel operators' occupation taxes administered by IDOR for the next one-year period. If its gross receipts are less than \$100,000 for that one-year period, it must return to determining whether it met the tax remittance threshold on a quarterly basis, and must notify IDOR and its marketplace hotel operators that it no longer is required to remit State hotel operators' occupation taxes and local hotel operators' occupation taxes administered by IDOR and discontinue remitting the taxes on behalf of its marketplace hotel operators until it again has gross receipts of \$100,000 or more during a 12-month period. If a hotel marketplace facilitator determines it did not meet the threshold, it may voluntarily continue remitting State and local hotel operators' occupation taxes administered by IDOR for rentals made through its marketplace.

How can hotel marketplace facilitators register for hotel operators' occupation tax?

Register with IDOR electronically using MyTax Illinois at mytax.illinois.gov or submit a paper [Form REG-1](#), Illinois Business Registration Application. Select "Yes" to this question from the form:

- "Are you a Hotel Marketplace Facilitator?"

Hotel marketplace facilitators apply tax rates based on where the hotel is located. As a result, permanent locations are not utilized during the registration process by re-renters of hotel rooms. You must add a changing location for each municipality or, if not in a municipality, county where you rent rooms.

If you need to update your Hotel Operators' Occupation Tax Account, send us a completed [Form REG-3-C](#), Business Information Update, or use MyTax Illinois to update your account.

Note: Marketplace hotel operators that only rent, lease, or let hotel rooms through a hotel marketplace facilitator that meets the tax remittance threshold are not required to register with IDOR for hotel operators' occupation tax.

How do I file and report hotel operators' occupation tax?

You must file [Form RHM-1](#), Hotel Operators' Occupation Tax Return (and [Form RHM-7](#), Hotel Operators' Occupation Tax Multi-Site Schedule, if you have receipts from multiple sites) to report and pay the tax to IDOR. Form RHM-1 can be filed electronically through MyTax Illinois or on paper.

In situations where a rental is made on behalf of a marketplace hotel operator by a hotel marketplace facilitator that has met the tax remittance threshold listed above, only one Form RHM-1 return should be filed by the hotel marketplace facilitator. See the section below for information on books and records that must be kept to support this type of agreement.

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 are required to register with IDOR and file Form RHM-1 for their transactions outside of the marketplace.

Marketplace hotel operators that rent, lease, or let rooms in hotels through a hotel marketplace facilitator that does not meet the tax remittance threshold above, **and** has not elected to voluntarily remit State and local hotel operators' occupation tax on behalf of its marketplace hotel operators, must register with IDOR and file Form RHM-1 for their transactions. For re-rentals where the re-renter meets the tax remittance threshold listed above but **does not** meet the definition of hotel marketplace facilitator, **both** the re-renter and the hotel operator incur tax on their full gross receipts and must **both** file form RHM-1 to report and remit their tax due.

What books and records must marketplace hotel operators retain to support an agreement with a hotel marketplace facilitator?

When an agreement is made between a hotel marketplace facilitator and a marketplace hotel operator, the facilitator must provide notice and, upon request, certification, to the operator that the facilitator assumes the rights and duties of a hotel operator under the Hotel Operators' Occupation Tax Act with respect to the rentals, leases, and lettings made by the operator through the hotel marketplace.

Marketplace hotel operators must keep books and records, including certificates provided by hotel marketplace facilitators, for all rentals, leases, and lettings made through a hotel marketplace in accordance with the requirements of the Hotel Operators' Occupation Tax Act.

Where do I find more information?

For more information about hotel operators' occupation tax, refer to the following pages, available at tax.illinois.gov:

- [Publication 106, Hotel Operators' Occupation Tax](#)
- [Hotel Tax Forms webpage](#) for updated instructions