



# Transient Rental Frequently Asked Questions

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## What is a transient rental?

A transient rental is any unit that is occupied for the purposes of sleeping, lodging, or similar reasons for a period of 30 consecutive days or less in exchange for a fee or similar consideration.

## Can I rent my unit as a transient rental?

Only some zones within the Town of Mammoth Lakes permit transient rentals. The following zones permit transient rentals:

- RMF-2 (Residential Multi-family 2)
- CL (Commercial Lodging)
- CG (Commercial General)
- R (Resort, including master plan areas)
- SP (Specific Plan, including North Village and Clearwater)

A zoning map lookup can be found on the Town's website at: <https://gis.mono.ca.gov/TOT/>

This zoning map is intended as a guide only. Although the above zones permit transient use generally, other regulations such as those found in master plans, CC&Rs, or project conditions of approval may prohibit transient rental within a particular development. Generally, transient rental of single family homes is prohibited.

## What is Transient Occupancy Tax (TOT)?

Transient Occupancy Tax, or TOT, is a 13% tax that is charged "for the privilege of occupancy of any transient occupancy facility." The tax is required to be paid to the operator of the transient occupancy facility at the time the rent is paid. It is the operator's responsibility to remit the TOT to the Town.

## What is Tourism Business Improvement District (TBID)?

The Tourism Business Improvement District (TBID) is a benefit assessment district developed to help fund marketing and sales promotion efforts for Mammoth Lakes tourism businesses. All lodging businesses regardless of annual gross revenue will pay the 1% assessment on all bookings. More information on TBID can be found at: <http://mltbid.com/>

## Do I need to pay TOT and TBID?

If you are renting your unit as a transient rental, even if it is only for one weekend a year, you are required to remit 13% TOT and 1% TBID on the total gross rents received. The total gross

rents includes all nonrefundable costs at the time of booking, such as cleaning fees, pet fees, etc.

### **Do I need to file a Monthly Return for TOT and TBID on months when I have no rental activity?**

Yes, you are still required to file a Monthly Return for TOT and TBID on months with zero rental activity to avoid the assessment of penalties. You may file your Monthly Return for TOT and TBID online or by using the paper form.

### **Do I need a Business Tax Certificate?**

Yes, a Business Tax Certificate is required if you are renting your unit on a transient basis.

### **Do I need a Transient Occupancy Tax Certificate?**

Yes. You are required to purchase a Transient Occupancy Tax Certificate for each transient rental unit registered on your Business Tax Certificate. Please submit a Transient Occupancy Tax Certificate application at the same time you submit a Business Tax Certificate application.

### **What is the difference between a Business Tax Certificate and a Transient Occupancy Tax Certificate?**

Business tax is an annual tax and is required for any business activity occurring in the Town of Mammoth Lakes. You must renew your Business Tax Certificate on an annual basis. The Transient Occupancy Tax Certificate is a one-time purchase that is non-transferable. This certificate is required to be posted in your transient unit.

### **Do I need a Business Tax Certificate if all of my transient rentals are handled through a reservation company?**

No. If 100% of the advertising and rentals are handled through a reservation company and your agreement with the reservation company states that they will purchase the Transient Occupancy Tax Certificate and collect and remit TOT and TBID to the Town, then you are not required to have your own Business Tax Certificate. You may wish to check with your reservation company to confirm that this is being taken care of.

### **A reservation company handles most of the transient rentals for my unit but I anticipate renting directly to my friends a few times a year. Do I need a Business Tax Certificate? How do I figure out the total gross rents used to calculate TOT and TBID on my Monthly Returns?**

Yes, you are required to have a Business Tax Certificate if you handle any direct advertising or rental of the transient rental unit. As long as the reservation company is collecting and remitting TOT and TBID collected on their bookings, you are only required to collect and remit TOT and TBID on the bookings you handle directly.

## **How do I apply for a Business Tax Certificate and a Transient Occupancy Tax Certificate?**

The Town's website contains information regarding Business Tax Certificates and Transient Occupancy Tax Certificates, including applications that you may download and print. Transient rentals fall under Tax Schedule F for condominium rentals and Tax Schedule E for hotels, motels, lodges, and campgrounds. This application can be mailed to the Finance Department or submitted in person. If you have additional questions regarding this process, please contact the Finance Department at (760) 965-3660.

## **What is illegal rental activity?**

Illegal rental activity is any rental activity that is not consistent with the Town's Zoning Ordinance, or any rental activity that is not compliant with the Transient Occupancy Tax Ordinance. This can include transient rentals of units located in zones that prohibit transient rentals. It can also include transient rentals in a zone where it is permitted, but the operator does not have a valid Business Tax Certificate or a valid Transient Occupancy Tax Certificate or is not remitting TOT and/or TBID to the Town.

## **How can I report suspected illegal rental activity?**

If you suspect illegal rental activity, you may submit an anonymous tip via the Town's TOT hotline at (760) 965-3660, extension 3670 or you may submit an email to [tot@townofmammothlakes.ca.gov](mailto:tot@townofmammothlakes.ca.gov). Please note that emails are not anonymous, however, staff will do their best to keep your information private. Please include any information you have that would substantiate the claim, along with the property address and owner's name if you have it.