

Transient Occupancy Tax (TOT) Information

What is Transient Occupancy Tax?

Transient Occupancy Tax (TOT) is a tax imposed on guests who rent your property or a portion of your property for the purpose of lodging on a short-term basis (30 consecutive days or less). TOT is collected in addition to the rent paid.

What is the City's Transient Occupancy Tax Rate?

For the privilege of occupancy, the City of Capitola's TOT rate is 12% of the total rent charged to a guest. The taxable rent includes: room rate, cleaning fees, and other charges directly associated to the room.

Who collects TOT?

TOT is collected by the operator at the same time rent is collected from the guest. The operator is the Owner, property manager, host or lessee providing lodging on a short-term basis.

Who is exempt or excluded from paying TOT?

Any guest who rents for 31 consecutive days or more is exempt from paying TOT. A record of all your exemptions or exclusions should be kept, along with forms and any back-up documentation. This information should be included with your exemption/exclusion claims on your regular tax returns.

When do I file my TOT?

Operators collect the tax from renters and file TOT returns to the City monthly by the 10th of each month for the preceding month. TOT Returns are filed whether rent was collected during the period or not.

How do I file TOT?

The City of Capitola contracts with HdL Lodging Tax to administer Transient Occupancy Tax (TOT) for our lodging community, including hotels and short-term rentals (STRs). Effective February 1, 2022, the City of Capitola will convert to online TOT processing. Registered Operators can file their TOT Returns & TMD through the TOT Processing Center using the following methods:

- Online - <https://capitola.hdlgov.com>(link is external)
- By phone - (831) 241-9046
- By email - capitolaTOT@HdLgov.com(link sends e-mail)

Please direct all TOT questions to the HdL TOT Processing Center using the above methods.

How do I register?

To register with the City, please contact the TOT Processing Center at (831) 241-9046 or email us at capitolaTOT@hdlgov.com(link sends e-mail)

For information regarding Santa Cruz County Tourism Marketing District (TMD) -

<https://www.co.santa-cruz.ca.us/Departments/TaxCollector/TransientOccupa...>