

City of Rancho Cordova Transient Occupancy Tax (“TOT”) Tips

Rancho Cordova’s TOT rate is 12%, set by Title 3 Revenue & Taxation, Chapter 3.08 of the city’s Municipal Code. It is assessed on the rent charged by the hotel for stays of 30 days or less.

The following exemptions apply to the TOT:

- Insurance Companies subject to the “gross premiums tax” are not subject to our TOT, under section 28(f) of Article XIII of the California Constitution.
- Non-mandatory charges such as dry cleaning, VCR rental, movie rental, pay per view television, movie rental, phone charges, etc. (However, a non-mandatory charge for a service impinging on the normal and reasonable enjoyment of the accommodation would be subject, for example a non-mandatory charge for a key or for the use of water or electricity.)
- Federal and State Government employees or anyone paying with federal monies are not subject to the TOT.
- Employees from the American Red Cross, Federal Credit Union and Regional Home Loan Banks are exempt if there on business.
- A “no show” charge is not subject to the TOT if it is a set amount. If it is calculated off of the rate of the room, then it is subject to the tax.
- Separately charged and stated food charges are not subject to the TOT.
- Foreign governments not subject to taxation in the United States by virtue of treaty or consular convention.
- Foreign diplomats presenting identification issued by the US Department of State.
- Stays of longer than 30 days are exempt in their entirety only if the lodger warrants in writing before or at the inception of stay to rent the accommodations for longer than 30 continuous days. If the lodger does not do so (for example was staying for 3 weeks, then added another two weeks to the stay), then the first 30 days would be subject to the stay.

Rancho Cordova Tourism Business Improvement District (“RCTBID”) Tips

Developed by the lodging businesses within Rancho Cordova, and the City of Rancho Cordova (resolution 136-2010), the RCTBID is a benefit assessment district proposed to help fund marketing and sales promotion efforts for Rancho Cordova lodging businesses. For further information on the formation and implementation of the district please request a copy of the Management District Plan from the City Clerk’s office.

- The assessments to fund the activities and improvements for the RCTBID will be collected at the same time and in the same manner as are transient occupancy taxes, and in accordance with Streets and Highways Code §36631.
- The amount of assessment, if passed on to each transient, shall be separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business.
- Unlike the TOT, the TBID applies to all room nights, including those past 30 consecutive days.
- There are no exemptions to the TBID.