

## RENTAL OCCUPANCY TAX

### DESCRIPTION

*The rental occupancy tax is imposed on tenants of real property with a lease that was entered into prior to December 1, 1967. It is intended to be a substitute for the transaction privilege tax on rentals of real property where the landlord cannot pass the tax on to tenants in the form of a rent increase because of the long-standing fixed nature of the lease price. The tax rate is 3% of the tenant's rent.*

### TAX YIELD

<u>Fiscal Year</u>	<u>Gross Collections</u>
1997-98	\$126,334
1998-99 Est.	\$117,985

### DISTRIBUTION OF RENTAL OCCUPANCY TAX

<u>Fiscal Year</u>	<u>State General Fund</u>	<u>Counties</u>	<u>Cities</u>
1997-98	\$71,158	\$34,120	\$21,056
1998-99 Est.	\$66,455	\$31,865	\$19,665

There were no changes enacted to this tax in 1999.

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