

**CHAPTER 15**

**TAXATION**

**Analysis**

**ARTICLE 1**

**HOTEL AND MOTEL ROOM OCCUPANCY TAX**

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## **ARTICLE 1**

## **HOTEL AND MOTEL ROOM OCCUPANCY TAX**

### **Sec. 15.1-1 Purpose**

It is the purpose of this Article to implement the provisions of PL 2003, c. 114, which authorized the Township Committee to adopt an ordinance imposing a tax at a uniform percentage rate not to exceed one (1%) percent of charges of rent for every occupancy on or after July 1, 2003, but before July 1, 2004, and not to exceed three (3%) percent on charges of rent for every occupancy on or after July 1, 2004, of a room or rooms in a hotel subject to taxation pursuant to subsection (d) of NJSA 54:32B-3 which shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity upon the occupancy of a hotel room.

### **Sec. 15.1-2 Tax Established**

- A. There is hereby established a Hotel and Motel Room Occupancy Tax in the Township which shall be fixed at a uniform percentage rate of three (3%) percent on charges of rent for every occupancy of a hotel or motel room in the Township on or after July 1, 2004, or a room or rooms in a hotel subject to taxation pursuant to subsection (d) of section 3 of PL 1966, c 40, NJSA 54:32B03 (sales tax)
- B. The Hotel and Motel Room Occupancy Tax shall be in addition to any other tax or fee imposed pursuant to statute or local ordinance or resolution by any governmental entity upon the occupancy of a hotel room.
- C. The Hotel and Motel Room Occupancy Tax authorized herein shall not be imposed on the rent for an occupancy if the purchaser, use or consumer is an entity exempt from the tax imposed on an occupancy under the "Sales and Use Tax Act" pursuant to subsection (a) of NJSA 54:32B-9.

**Sec. 15.1-3                    Regulations**

In accordance with the requirements of PL 2003, c. 114:

- A.     All taxes imposed by this section shall be paid by the purchaser.
- B.     A vendor shall not assume or absorb any tax imposed by this section.
- C.     A vendor shall not in any manner advertise or hold out to any person or to the public in general, in any manner, directly or indirectly, that the tax will be assumed or absorbed by the vendor, that the tax will not be separately charged and stated to the customer, or that the tax will be refunded to the customer.
- D.     Each assumption or absorption by a vendor of the tax shall be deemed a separate offense and each representation or advertisement by a vendor for each day that the representation or advertisement continues shall be deemed a separate offense.

The penalty for a first violation of the foregoing provisions shall be a fine not to exceed five hundred (\$500.00) dollars and/or incarceration in the Salem County Jail for a period not to exceed thirty (30) days. The penalty for a second violation shall be a fine of seven hundred fifty (\$750.00) dollars and incarceration in the Salem County Jail for a period not to exceed six (6) months.

**Sec. 15.1-4                    Collection of Tax**

The tax imposed by this section shall be collected on behalf of the Township by the person collecting the rent from the hotel or motel customer. Each person required to collect the tax herein imposed shall be personally liable for the tax imposed, collected or required to be collected hereunder. Any such person shall have the same right in respect to collecting the tax from a customer as if the tax were a part of the rent and payable at the same time, provided that the Chief Financial Officer of the Township shall be joined as a part in any action or proceeding brought to collect the tax.