

Excise Lodging Tax FAQ

For use by Short-Term Rental Vendors



The City of Lancaster Income Tax Department administers the 3.0% lodging excise tax collected on short-term rental lodging. All forms, resources, and further information can be found on the City's website at <https://www.ci.lancaster.oh.us/194/Tax-Forms>

General Questions

What is this tax?

Effective July 1, 1994 the City of Lancaster levies a 3.0% lodging excise tax on lodging provided to short-term rental guests.

Who pays the tax?

The short-term rental guest is financially responsible for the full and exact amount of the tax on each taxable lodging transaction. However, it is the responsibility of the short-term rental host or the host platform to collect and remit the tax.

What does the tax pay for?

The 3.0% tax provides funds to the Fairfield County Visitors and Convention Bureau.

When do I file?

The tax is due quarterly on the 15th of each month following the quarter preceding. For example, a short-term rental host would file taxes collected in the first quart by the 15th of April. 1st quarter is January-March, 2nd April-June, 3rd July-September, 4th October-December.

What if I have additional questions?

Please contact our office at 740-687-6606 or stop in and see us at 104 E Main St. 2ND FL

Account Setup Questions

How do I set up my account?

- Complete registration form (Business Questionnaire) from our website and email it to taxrequest@ci.lancaster.oh.us or mail to PO BOX 128, Lancaster, OH 43130.
- Register with the City's Certified Building and Zoning Department 740-687-6649, 121 E Chestnut St., Suite 102.

Do I need to submit a questionnaire if I already have a personal income tax account?

Yes, and your income tax account will need to be reviewed by the Tax Department and in good standing for the purposes of getting a certificate of Use & Occupancy.

Why do I need to create a tax account in addition to an excise lodging tax account?

Although hosts collect and remit the 3.0% lodging excise tax, the income the host earns from their short-term rental is also subject to City income tax.

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Filing Questions

How do I file?

Remit a quarterly Hotel/Motel Occupancy Tax Return and payment to: City of Lancaster Income Tax Department, P.O Box 128, Lancaster, Ohio 43130.
Form: <https://www.ci.lancaster.oh.us/194/Tax-Forms>

Should the tax be charged on the total transaction (including service, cleaning, extra guest fees, etc.) or just the lodging price?

The tax should be charged on the total transaction paid by the guest.

What are exempt receipts?

The following lodging transactions are exempt from the tax:

1. Lodging for permanent guests (guests who stay longer than 30 days)
2. Lodging for government entities only if the charges are billed to and paid directly by the government entity.

What if I didn't have any guests this quarter?

Short-term rental hosts must file quarterly, even if no lodging was provided.

What are the penalties for unpaid lodging tax?

- Unpaid lodging tax after the tax becomes due is subject to a 1.5% interest rate per month.
- If any vendor fails or refuses to collect the lodging tax or to file a return or remit the lodging tax or any portion thereof, the Administrator shall proceed to determine and assess a penalty of \$500.

Do I need to keep records?

- Yes. Each vendor must keep complete and accurate records of lodging provided and tax collected for a period of five years in accordance with LCO 185.05.
- Such records shall be open during business hours to the inspection of the Administrator and provided upon request.