



# Hotel / Motel Excise Tax – State & Local

Information for businesses  
from the

**IOWA**  Department of **REVENUE**

# What is Hotel / Motel Excise Tax?

It is a tax on “Lodging” and includes sleeping rooms in any of the following:

- Hotel
- Motel
- Inn
- Public lodging house
- Rooming house
- Tourist court
- Bed-and-breakfast, or
- Any place where sleeping accommodations are furnished to transient guests

# Does Hotel / Motel Excise Tax Apply to Rental of Other Rooms?

No.

Only sleeping rooms are subject to the tax. Other rooms, such as conference and banquet rooms are exempt.

# What Are the Two Types of Hotel / Motel Excise Tax?

- State-imposed hotel / motel excise tax
- Locally-imposed hotel / motel excise tax

# What Is the State-imposed Hotel / Motel Excise Tax?

The state-imposed hotel / motel tax is a **5%** tax on the rental of lodging, and applies to all lodging anywhere in the State of Iowa.

# What Is the Locally-imposed Hotel / Motel Excise Tax?

The locally-imposed hotel / motel tax is **in addition to the state 5% tax** on the rental of lodging.

The **local rate cannot exceed 7%** and must be imposed in increments of one or more full percentage points.

# Who Determines if a County or City has a Locally-imposed Hotel / Motel Excise Tax?

The voters in each jurisdiction (county / city) decide if hotel / motel tax will be imposed in their area.

# When Can a Locally-imposed Hotel / Motel Excise Tax Begin?

A jurisdiction may begin the tax on  
**January 1 or July 1.**

# Does the Locally-imposed Hotel / Motel Tax apply to an Entire County?

Within a county, some cities may have the hotel / motel tax, some may not.

Also, the unincorporated rural area of a county may or may not have the tax.

# How Do I Know if a Jurisdiction Has a Locally-imposed Hotel / Motel Excise Tax?

For lists of jurisdictions with local hotel /motel tax, see [Iowa Hotel / Motel Tax](#)

# Are There Any Exemptions From the Hotel / Motel Excise Tax?

**Yes, the following are not subject to state or local hotel / motel excise tax:**

- Contracts for periods of more than 31 consecutive days. To qualify, the renter must contract to rent for a single period of more than 31 days and cannot accumulate these days.
- The renting of sleeping rooms in dormitories and in memorial unions at all universities and colleges located in Iowa
- Contracts made directly with the federal government, or
- The renting of a room to the guest of a religious institution, if the reason for renting the room is to provide a place for a religious retreat or function and not a place for transient guests generally.

# What Is Meant by a Contract Made “Directly” With the Federal Government?

Lodging paid for directly by the United States government is exempt. However, rooms rented to federal government employees who are paying with cash, personal check, or personal credit card are subject to tax. This is true even if the employees will be reimbursed by the federal government.

# What About State, County, City Governments, and Schools?

Contracts made directly with Iowa state and local governmental entities and schools are **subject to both the 5% state and local hotel / motel excise taxes.**

# Is Lodging Subject to Sales Tax and Local Option Sales Tax?

No.

Room rental is not subject to Iowa sales tax or local option tax, whether or not the rental is subject to hotel / motel excise tax.

# Do I Need a Special Permit to Collect Hotel / Motel Excise Tax?

No.

The state sales tax permit is the only permit required.

# How Do I Report and Pay Hotel / Motel Excise Tax?

- Hotel / motel tax is reported and paid to the State of Iowa along with the state sales tax.
- Retailers make no payment directly to a locality.
- Retailers show a breakdown of hotel / motel excise tax on their sales tax quarterly returns.
- Tax returns are filed electronically through the Department's online service [eFile & Pay](#).

# Questions?

- For more information see [Iowa Hotel / Motel Tax](#).
- Call us: 8 a.m. - 4:15 p.m. CT  
515-281-3114 or  
1-800-367-3388 (Iowa, Omaha, Rock Island, Moline)
- E-mail us at [idr@iowa.gov](mailto:idr@iowa.gov)