



# State Tax Exemptions for Hotels

1. **Scenario 1 (Most common):** An employee submits the [CERTIFICATE OF EXEMPTION OF LOCAL HOTEL/MOTEL EXCISE TAX form](#) to the hotel operator and pays for their stay with their personal credit card, personal check or personal cash.

**Result:** The hotel invoice **WILL** reflect *Georgia State Sales Tax*. *Georgia State Sales Tax* is NOT EXEMPT in this scenario because the employee used their personal funds. The employee should submit these taxes as a travel expense and the agency should reimburse the employee.

2. **Scenario 2 (Typically for large group travel):** The agency contacts the hotel operator and sets up a “direct bill.” Direct bill ensures the financial transactions for the employees’ stays are between the agency and the hotel, not the employee and the hotel. As part of this process the agency provides the hotel a Georgia DOR Sales Tax Certificate of Exemption form which provides justification to the hotel for the exemption of the *Georgia State Sales Tax*. This form can only be presented for an agency payment, not an individual payment.

**Result:** In this scenario, the agency receives the hotel invoice and pays the hotel invoice. The employee has no expense to claim; however, the employee should enter the transaction in Concur and select the payment type as “Company Paid.” The employee will not receive any reimbursement for this transaction.

3. **Scenario 3 (Employee pays w/ state check):** This is the least common and least encouraged method since it is difficult to coordinate with the hotel the exact amount that will be charged for a single employee’s stay, especially when the circumstances could change (e.g. employee cancels a night of stay after check is cut). The employee presents the check as well as the [CERTIFICATE OF EXEMPTION OF LOCAL HOTEL/MOTEL EXCISE TAX form](#) and the Georgia DOR Sales Tax Certificate of Exemption form upon check-in or check-out.

**Result:** In this scenario, the agency pays the hotel invoice via a paper check passed onto the hotel by the employee traveler. The employee has no expense to claim; however, the employee should enter the transaction in Concur and select the payment type as “Company Paid.” The employee will not receive any reimbursement for this transaction.

**It is important to note that the following language is and has been at the bottom of the Certificate of Exemption form:**

*“NOTE: Government officials or employees are also exempt from Georgia State Sales Tax when individuals submit the “Department of Revenue Sales Tax Certificate of Exemption Form (ST-5)” to hotel operators. The payment methods that are applicable to the exemption of this sales tax are either a State of Georgia issued credit card or payments made by directly billing the governmental organization.”*

**As a further note,** the \$5/night State fee is never exempt in any of the above scenarios. It is a required payment and should be listed as an expense and reimbursed to the employee.

If you have any questions, please contact the State Accounting Office Travel Team at [sao\\_travel@sao.ga.gov](mailto:sao_travel@sao.ga.gov)