

CITY COUNCIL 2009

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October 2, 2009 - REVISED

**RE: TOT Exemption for Federal and State Government Employees  
Traveling on Official Business, Effective October 1, 2009 (Revised)**

The City Council has recently passed an Ordinance that extends a Transient Occupancy Tax (TOT) exemption to U.S. Government and State of California employees who are traveling on official business. This exemption also applies to the \$2.50/night Conference Center Tax (CCT), and this exemption takes effect on October 1, 2009. However, the taxes are NOT exempted if the U.S. or State government employees are not traveling on official business, for example, if they are on vacation or visiting a family member.

The relevant sections of the Ordinance Section 4.20.040 are highlighted below:

(3) Any Federal or State of California officer or employee when on official business, *who shall produce government identification and pay rent by warrant or check drawn on the treasury of the United States or the State of California, or by credit card issued by the United States Government or the State of California*, and who provides written evidence of such official business on a form approved in advance by the Director of Finance with proper documentation so specified on the form. No exemption shall be granted except upon a claim therefore made at the time rent is collected and under penalty of perjury upon a form prescribed by the tax administrator. *Operators who grant exemptions may be audited by the Finance Director, and any exemptions found to be granted without proper documentation shall be reimbursed to the City and the South San Francisco Conference Center by the operator.*

A copy of the exemption form is attached. U.S. Government or State of California employees are exempt if they sign the form and provide one of the three items listed below:

Re: TOT Ordinance Section 4.20.040

Dated: October 2, 2009

- ✓ A copy of the official government agency travel orders or travel authorization (on government forms) listing the specific employees' names and dates traveling; or
- ✓ A letter signed by a supervisor/manager on either government agency letterhead or a government agency form that shows the employees' names and dates of travel on official business. That supervisor/manager should not also be one of the employees traveling; or
- ✓ A copy of a government issued Purchase Order that lists the employees' names who will be traveling and the dates of travel.

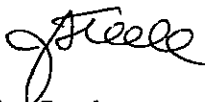
Note that the documentation (a copy of #1, #2 and #3) must be submitted to the Finance Department when the hotel submits their monthly TOT return. Also attached is an updated exemption form for guests staying longer than 30 days, and an updated All Other Exemptions Form (Forms 2 and 3). All of these forms can be found on the City of South San Francisco's web site at: <http://www.ssf.net/index.aspx?nid=621>.

If a hotel guest believes they are exempt from the tax because they are either a federal or state government employee traveling on official business, or because they are a foreign diplomat or agent, but they do not have sufficient documentation with them on their trip, they may have their office fax a copy of the proper documentation to the hotel prior to checkout. Otherwise, hotel operators should require the guest to pay the taxes, and should give the guest the proper exemption forms. The guest may then submit the exemption forms directly to the City Finance Department (fax to (650) 829-6658) along with proper documentation after the fact to apply for a tax refund. They should include a copy of their hotel bill in that case as well, showing that they paid the tax.

Hotel operators should maintain proper documentation for at least a year for audit purposes to verify these exemptions were granted properly.

If you have any questions, please feel free to call me at 877-8509, or call James Young at 877-8507, or contact me via email at [jim.steele@ssf.net](mailto:jim.steele@ssf.net).

Sincerely,



Jim Steele  
Finance Director  
City of South San Francisco

Attachments