

Administrative Rules and Laws: N.H. Code of Admin.
Rules and Laws are available free from our web site at
www.nh.gov/revenue.



www.nh.gov/revenue

Taxpayers can remit estimate payments, tax notice payments and return payments on the internet for Meals & Rentals Tax. You may also file the returns on the internet. For more information, please visit our web site at www.nh.gov/revenue.

**ADMINISTRATION, 109 Pleasant St, Concord, NH
03302-0457 (603) 271-2318
Fax (603) 271-6121**

**AUDIT DIVISION, 109 Pleasant St, PO Box 457,
Concord, NH 03302-0457 (603) 271-3400
Fax (603) 271-6146**

**CENTRAL TAXPAYER SERVICE, 109 Pleasant St,
Concord, NH 03301 (603) 271-2191**

**COLLECTION DIVISION, 109 Pleasant St, PO Box
454, Concord, NH 03302-0454 (603) 271-3701
Fax (603) 271-1756**

**DISCOVERY BUREAU, 109 Pleasant St, PO Box
457, Concord, NH 03302-0457 (603) 271-8454**

**DOCUMENT PROCESSING DIVISION, 109 Pleasant
St, PO Box 637, Concord, NH 03302-0637
(603) 271-2191**

**HEARINGS BUREAU, 109 Pleasant St, PO Box
1467, Concord, NH 03302-1467 (603) 271-1304**

**MUNICIPAL SERVICES DIVISION, 109 Pleasant St,
PO Box 487, Concord, NH 03302-0487
(603) 271-3397 Fax (603) 271-1161**

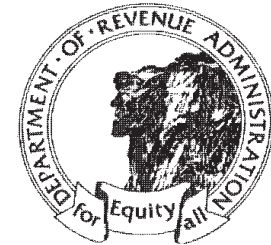
**PROPERTY APPRAISAL DIVISION, 109 Pleasant
St, PO Box 487, Concord, NH 03302-0487
(603) 271-2687 Fax (603) 271- 1161**

**TAXPAYER ADVOCATE, 109 Pleasant St, Concord,
NH 03302-0457 (603) 271-2191**

Individuals who need auxiliary aids for effective communications in programs and services of the New Hampshire Department of Revenue Administration are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF REVENUE ADMINISTRATION
(603) 271-2191**

**FREQUENTLY ASKED QUESTIONS
(FAQs)
MEALS & RENTALS TAX
(M&R)
RSA 78-A REV 700**



Kevin A. Clougherty, Commissioner

The New Hampshire Department of Revenue Administration offers this publication of answers to the most frequently asked questions. While we have attempted to identify the most common concerns, this publication does not address every situation, set of facts, or circumstances. Our goal is to develop a tax administration system that is fair and efficient, with taxpayers having the highest degree of confidence in the integrity of the Department.

Visit us on the web: www.nh.gov/revenue

Q: What is the Meals & Rentals Tax?

A: A 9% tax (effective 7/1/2009) is assessed upon patrons of hotels (or any facility with sleeping accommodations), and restaurants, on rooms and meals costing \$.36 or more. A 9% tax is also assessed on motor vehicle rentals. Motor vehicle fees, other than the Motor Vehicle Rental Tax, are administered by the NH Department of Safety (RSA 261). For more information on motor vehicle fees, please contact the NH Department of Safety, 10 Hazen Drive, Concord, NH 03305; (603) 271-2382.

Q: Who pays it?

A: The tax is paid by the consumer and collected by operators of hotels, restaurants, or other businesses providing taxable meals, room rentals, and motor vehicle rentals. Approved seasonal operators must file reports for each month of their approved season, even if no tax is due.

Q: Why are campsites taxable?

A: Effective 7/1/2009 the definition of a "hotel" was modified to include campsites (RSA 78-A:3, III). See the FAQ (DRA-750) for M&R Campsite Inclusions available on the web at www.nh.gov/revenue.

Q: When is the tax due?

A: The tax is due on the 15th day of the month following the taxable period. Electronic filing, via touch tone telephone and personal computer, is available to Meals & Rentals Operators. A paper return is not required if filing electronically, but operators must retain the Meals & Rentals worksheet.

Q: Do I need to file a return every month even if I have no activity?

A: Yes, you must file a return even if you have had no activity during your scheduled reporting periods.

Q: Do I need a separate license for catering?

A: Yes, an additional separate license is required for serving of meals at various locations for occasions such as but not limited to, banquets, weddings, barbecues, outings, picnics, etc.

Q: Who do I contact with filing and licensing questions?

A: Collection Division, PO Box 454, Concord, NH 03302-0454, or call (603) 271-2191.

Q: What records do I need to keep and for how long?

A: Keep all records used to record and report your Meals & Rentals Tax for three (3) years. This includes the telefile worksheet, e-file screen prints, cash receipts journals, cash disbursement journal, general ledger, payroll records, complete cash register tapes, guest checks and registration cards, bank statements with all enclosures and any other source document used in your accounting records. If you sell both taxable and non-taxable items, you are required to maintain records to justify the non-taxable sales. For more information, see TIR 2002-010.

Q: The business name has changed. Do we have to apply for a new Meals & Rentals Tax License?

A: No. If the owner of the business is the same, Form CD-100, Request to Update or Change License, must be completed and filed by the owner. However, if the business was acquired by a new owner or the business address has changed, a new Meals & Rentals Tax License must be obtained.

Q: Can the 3% Timely Filing Commission be denied?

A: Operators may take the 3% commission only if they meet **all** of the following requirements: (1) Keep the prescribed records; (2) File the return timely; (3) Pay the tax due timely; (4) Have no outstanding prior balance due; and (5) File the return by the proper method (electronic filing is required for all operators having \$25,000 or more in taxable revenue in a calendar year). Operators required to file electronically, but choosing to file paper returns, shall not be allowed to deduct the 3% commission.

Q: I have received a credit memo from the Department. How do I use the credit?

A: If you have received a credit memo from the Department, the credit amount indicated may be used to reduce a subsequent payment. To utilize the credit, enter the amount on Line 14 of the Meals & Rentals Tax worksheet and Form DP-14. NOTE: Do not utilize any credit amount until you have received a credit memo from the Department.

Q: Are non-profits exempt from the Meals & Rentals Tax?

A: No blanket Meals & Rentals Tax exemption exists for anyone, including non-profit organizations. However, there are limited exemptions. Please refer to N.H. Code of Admin. Rules, Rev. 702.09(a)(4) for criteria.

If you have any questions about tax exempt sales, please call the Department for clarification at 603-271-2191. The State of New Hampshire does not issue Meals & Rentals Tax exempt certificates.

Q: Are gratuities and service charges taxed?

A: Gratuities and other service charges are not taxable when the charge is: (a) not used as a supplement or in lieu of wages, or for managerial bonuses; (b) the charge is paid to the service personnel providing the service for which the gratuity was charged; (c) the charge is separately stated on the occupant's receipt or contract; (d) the charge is usual and customary; and (e) records must be maintained to substantiate the distribution of the gratuity. For more clarification please see TIR 2002-004.

Q: How should I handle coupon and discount sales?

A: The tax should be applied to the sale amount after the discount or coupon reduction has been taken.

Q: Why am I required to reapply for a Meals & Rentals Tax License every two years?

A: RSA 78-A:4 requires each owner/operator to register with the Department prior to opening a hotel, offering sleeping accommodations, selling taxable meals, or renting motor vehicles by applying for a Meals & Rentals Tax License. This law also states that the registration/license

expires on June 30th in each odd numbered year. Because of this, operators are required to reapply for a Meals & Rentals License Renewal using a Form CD-3 and submit it to the Department in June of each odd numbered year along with a \$5.00 administrative fee.

Q: Are function room rentals taxable?

A: Yes, any type of room rental in a hotel (or any facility with sleeping accommodations) is subject to the tax.

Q: When is long term room rental subject to the Meals & Rentals Tax?

A: Tax must be collected on all room rentals of less than 185 consecutive days. When a patron reaches the 185th consecutive day of occupancy the operator must refund to the patron the tax monies that have been collected. The operator must then send to the New Hampshire Department of Revenue Administration verification of the refund (a copy of the canceled check or a signed statement from the patron that he/she has received the refund) along with documentation supporting the length of occupancy. The Department will then issue a credit memo. Once the credit memo is received, the operator may use it to reduce a subsequent tax payment. The credit memo amount should be entered on Line 14 of the Meals & Rentals Tax worksheet and Form DP-14. NOTE: Operators may not utilize any credit amount until they have received a credit memo from the Department.

Q: How are bakery products taxed?

A: All bakery products sold in quantities of less than six from a restaurant are taxable. A bakery is classified as a restaurant when it offers other taxable items for sale such as, but not limited to, coffee, soda, sandwiches, salad bars and/or prepared foods. The taxability of bakery products is not affected by whether the bakery product is served to be eaten on the premise or on a to go basis.

Q: Are party platters taxable? Even if I am not serving?

A: Yes, party platters such as, but not limited to, vegetable, meat, dessert, fruit, appetizers, are taxable whether delivered, picked up, served or not.

Q: Is alcohol subject to the Meals & Rentals tax?

A: Yes, beer, wine and liquor served by a restaurant are subject to the tax, even if served without food.

Q: What charges associated with automobile rentals are taxable?

A: All charges included in the rental agreement are taxable including, but not limited to, airport fees, drop off fees and under age fees. The following items are not subject to the tax when separately stated in the agreement:

- (a) Charges for fuel;
- (b) Charges for insurance;
- (c) Charges for damages.

Q: What about long term automobile rentals?

A: If the motor vehicle lease or rental agreement does not exceed 180 consecutive days, the lease or rental is subject to the Meals & Rentals Tax.