

CHAPTER Rev 700 MEALS AND RENTALS TAX

PART Rev 701 DEFINITIONS

**Repeal Rev 701.06, effective 10-23-19 (Document# 12907), and hold said section in reserve as follows:**

Rev 701.06 “File” means file as defined in Rev 2902.04. **RESERVED**

**Readopt with amendment Rev 701.15, effective 7-25-20 (Document# 13077), to read as follows:**

Rev 701.15 “Operator” means “operator” as defined in RSA 78-A:3, XIII and includes a person:

(a) Offering sleeping accommodations for rent to the general public, including owners of private homes who offer sleeping accommodations for rent to the general public;

(b) Charging for a taxable meal;

(c) Offering a motor vehicle to a renter under a rental agreement that is subject to the tax; ~~or~~

(d) Who acts in the capacity of an agent, whether as lessee, sublessee, mortgagee, licensee or otherwise, for an owner in renting sleeping accommodations, a motor vehicle or providing taxable meals; *or*

*(e) Who is a rental facilitator or room facilitator.*

**Readopt with amendment Rev 701.19, effective 7-25-20 (Document# 13077), to read as follows:**

Rev 701.19 “Rent” means “rent” as defined in RSA 78-A:3, XVII and includes:

(a) Any amount for which an occupant is liable as a result of occupancy without any deductions; ~~and~~

(b) Any and all charges for services or furnishings and accommodations customarily and ordinarily furnished by a hotel to occupants; *and*

*(c) Any fee, services, or other charge required to be paid by the occupant to a room facilitator, except that the term rent shall not include amounts paid by an operator to a travel agent as commission or compensation for the travel agent’s services.*

**Readopt with amendment Rev 701.23, effective 11-7-14 (Document# 10714), to read as follows:**

Rev 701.23 “Seasonal business” means a business which operates and receives taxable receipts on a regular basis only during a particular season of the year, for a ~~consecutive~~ period of less than 12 months.

PART Rev 702 COMPUTATION OF TAXABLE MEALS

**Readopt with amendment Rev 702.11, effective 7-25-20 (Document# 13077), to read as follows:**

Rev 702.11 Meals with Free Coupons, Discounts, Gift Certificates, Complementary Sales, and Other Promotional Items.

(a) When an operator gives a free promotional coupon, gift certificate, or other document for no consideration, and the document is redeemed, the tax shall be computed on the actual amount paid for the taxable meal, excluding the face value of the coupon or the amount discounted, as illustrated below:

2 for 1	20% Discount
\$10.00 Dinner	\$10.00 Dinner
<u>\$10.00 2<sup>nd</sup> Dinner</u>	<u>(\$2.00) discount</u>
\$20.00 Total Meals	\$8.00 Total Meal
<u>(\$10.00) Free Dinner</u>	<u><del>.72 tax at 9%</del> .68 tax at 8.5%</u>
\$10.00 Total	\$8. <del>72</del> <b>68</b> Total Paid
<u><del>.90 tax at 9%</del> .85 tax at 8.5%</u>	
\$10. <del>90</del> <b>85</b> Amount Paid	
Tax Due = \$ <del>90.85</del>	Tax Due = \$ <del>72.68</del>

(b) All supporting source documents, such as, but not limited to, cash register tapes and guest checks, shall show the tax calculation, unless tax is included in the charge made for the meal.

(c) Donated meals, including meals in exchange for gift certificates, and complementary meals shall not be taxable, provided no consideration was given for the meals.

(d) Barter transactions, such as, but not limited to, meals exchanged for advertising, shall be taxable to the extent of the usual and customary charge for such taxable meal exchanged.

(e) When a meal is purchased with nutrition assistance benefits issued under federal law pursuant to a program that prohibits the assessment of a state tax on items purchased, it shall not be taxable to the extent of the part of the meal purchased with nutrition assistance benefits.

PART Rev 703 COMPUTATION OF TAXABLE RENT

**Adopt Rev 703.10 to read as follows:**

***Rev 703.10 Room Facilitator.***

***(a) The full retail price charged for occupancy shall be subject to tax, including any fee, service, or other charge required to be paid by the occupant to a room facilitator.***

***(b) Amounts paid by an operator to a travel agent as commission or compensation for the travel agent's services shall not be subject to tax.***

PART Rev 704 MOTOR VEHICLE RENTALS

**Readopt with amendment Rev 704.01, effective 11-7-14 (Document# 10714), to read as follows:**

Rev 704.01 Taxable Rental Receipts.

(a) Motor vehicle rentals shall be taxed upon the gross rental receipts including charges for items such as, but not limited to:

- (1) Excess mileage;
- (2) Drop-off fees;
- (3) Under-age surcharges;
- (4) Second driver fees; or
- (5) Airport access fees.

(b) Gross rental receipts shall include, but not be limited to, the receipts for the rental, when a driver is not provided for the following vehicles:

- (1) A bus;
- (2) Taxi;
- (3) A recreational vehicle as defined in RSA 216-I:1, VIII; or
- (4) Limousine.

(c) Gross rental receipts shall not include the receipts for the performance of a service by the owner of a motor vehicle *or any rental facilitator* when a motor vehicle is required in the performance of the service such as, but not limited to, services by:

- (1) Taxi companies;
- (2) Limousine companies;
- (3) Bus companies; or
- (4) Vehicles modified for the transportation of individuals with disabilities.

**Adopt Rev 704.07 to read as follows:**

***Rev 704.07 Rental Facilitator.***

***(a) Gross rental receipts includes value received or promised as consideration to any rental facilitator for a rental agreement, including any fee, service, or other charge or amount required to be paid by the renter as a condition for the rental agreement.***

***(b) Gross rental receipts shall not include amounts paid by an operator to a travel agent as commission or compensation for the travel agent's services.***

PART Rev 705 LICENSING AND RESPONSIBILITIES OF OPERATORS

**Readopt with amendment Rev 705.01, effective 7-25-20 (Document# 13077), to read as follows:**

Rev 705.01 License Requirement.

(a) Every individual or entity intending to sell meals, rent rooms, ~~or~~ rent motor vehicles, ***or act as a rental facilitator or room facilitator***, shall:

- (1) Complete and file a “Meals and Rentals Tax License Application” with the department ~~as provided in Rev 2904.03, including by electronic filing;~~ and
- (2) Be issued a license by the department prior to the opening of business.

(b) A paper Form CD-3, “Application for Meals and Rentals Tax Operator’s License”, shall be available by:

- (1) Accessing [www.revenue.nh.gov](http://www.revenue.nh.gov);
- (2) Calling the collections division at (603) 230-5900; or
- (3) Writing to:

NH Department of Revenue Administration  
Collections Division  
***109 Pleasant Street***  
PO Box 637  
Concord, NH 03302-0637.

(c) A separate license shall be required for each business location of the operator.

(d) A catering business shall obtain:

- (1) A separate operator's license for each fixed location where taxable meals are regularly served; and
- (2) A single separate operator's license for the occasional serving of meals at various locations such as those listed in Rev 701.01.

(e) Mobile catering businesses and vending truck operators shall:

- (1) Obtain a single operator's license covering the overall business rather than an individual operator's license for each mobile vending truck they operate;
- (2) Display their operator’s license number on the outside of each vehicle; and
- (3) Display a reprint, provided by the department, of their license in each vehicle.

(f) Any person in the business of renting motor vehicles shall obtain a separate operator's license for each fixed location where vehicles are rented.

(g) ***A rental facilitator or room facilitator shall:***

- (1) Obtain a single operator’s license covering all rental facilitator business, and a separate operator’s license covering any room facilitator business; and***

***(2) Prominently and conspicuously display such operator's license numbers wherever such rental facilitator or room facilitator transactions are conducted.***

~~(h)(g)~~ A meals and rentals tax operator's license shall not be transferable.

~~(i)(h)~~ A meals and rentals tax operator's license shall be posted in a conspicuous location for public view.

~~(j)(i)~~ Any advertisement for a short-term rental shall prominently and conspicuously display the operator's license number.

~~(k)(j)~~ An operator's failure to comply with the requirements specified in ~~(i)(h)~~ or ~~(j)(i)~~ above, after receiving a warning from the department, shall constitute sufficient cause for revocation, suspension, or denial of the operator's license.

## APPENDIX

Rule	Specific State Statute the Rule Implements
Rev 701.06	<del>RSA 78-A:2, II; RSA 78-A:8</del> <b><i>Reserved</i></b>
Rev 701.15	RSA 78-A:2, II; RSA 78-A:3, XIII
Rev 701.19	RSA 78-A:2, II; RSA 78-A:6-c, II
Rev 701.23	RSA 78-A:9, II(b)
Rev 702.11	RSA 78-A:2, II; RSA 78-A:3, XXV
Rev 703.10	RSA 78-A:3, XIX-a.; RSA 78-A:3, XVII
Rev 704.01	RSA 78-A:2, II; RSA 78-A:6, II-a
Rev 704.07	RSA 78-A:3, VI; RSA 78-A:3, XIII; RSA 78-A:3, XVIII-a.
Rev 705.01	RSA 78-A:2, II; RSA 78-A:4; 78-A:4-a