



**TOWN OF EDGARTOWN
OFFICE OF SELECTBOARD**

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October 29, 2024

LOCAL ROOM OCCUPANCY EXCISE INCREASE EFFECTIVE JANUARY 1, 2025.

At the April 9, 2024 Annual Town Meeting, Edgartown Voters approved Article 59, increasing the local room occupancy excise from 4% to 6% under M.G.L. c. 64G, § 3A, effective January 1, 2025.

The room occupancy excise applies to bed and breakfasts, hotels, lodging houses, motels, and short-term rentals. This excise is based on the rental amount and will apply at the rate effective at the time of occupancy, regardless of booking date. Operators should consider including provisions in rental contracts to address potential tax rate changes.

For detailed information, please refer to the Department's "Massachusetts Room Occupancy Excise Tax" 830 CMR 64G.1.1 and the "Room Occupancy Excise Tax" web page

Sincerely,

James Hagerty
Town Administrator



The Commonwealth of Massachusetts
Department of Revenue
Rulings and Regulations Bureau

P.O. Box 9566

Boston, MA 02114-9566

GEOFFREY E. SNYDER
COMMISSIONER

REBECCA H. FORTER
DEPUTY COMMISSIONER, TAX
POLICY

October 29, 2024

James M. Hagerty
70 Main Street
PO Box 5158
Edgartown, MA

Dear James M. Hagerty:

Your e-mail dated October 8, 2024 to the Department's Division of Local Services, in which you ask about the local option room occupancy excise, has been forwarded to this Bureau for response.

Please note that this Bureau is limited to giving general guidance in information letter responses. While we are unable to provide determinations on specific facts, we can point you to published guidance to assist you in making a determination independently. I hope you find the following information helpful.

In Massachusetts, a room occupancy excise is imposed on the rental of a room by an operator, which is an entity operating a bed and breakfast establishment, hotel, lodging house, short-term rental, or motel, based on the amount of rent paid by the occupant, unless an exemption applies. M.G.L. c. 64G, §§ 1, 3. An additional local option room occupancy excise of up to 6% (6.5% for Boston) of the rent also applies in certain cities and towns that have adopted it. M.G.L. c. 64G, § 3A.

In general, the tax rates in effect at the time of occupancy apply to all rentals subject to room occupancy excise. In other words, where a city or town adopts the local option room occupancy excise, all occupancies in that city or town are subject to the local option room occupancy excise as of the date the excise goes into effect, regardless of when the room is booked by a customer. Operators may want to include provisions in lease contracts stating that all state and local taxes and fees are as of the date of occupancy so occupants will be prepared for possible increases due to rate or fee changes after a contract is signed. For more information about the room occupancy excise and how it applies to short-term rentals, please see the Department's "[Massachusetts Room Occupancy Excise Tax](#)," 830 CMR 64G.1.1, and "[Room Occupancy Excise Tax](#)" web page.

This e-mail response is an "information letter" within the meaning of the Public Written Statements Regulation, 830 CMR 62C.3.1. It is intended to provide general information such as the potential applicability of Department of Revenue public written statements or well-established principles of tax law, but it is not intended to provide authoritative guidance on the application of the tax laws to a specific set of facts. This response is not a "ruling" or "letter ruling" that is legally binding on the Department.

Very truly yours,

A handwritten signature in black ink, appearing to read "David Berch".

David Berch, Counsel
Rulings and Regulations Bureau