Administrative Services Department
760 Mattie Road, Pismo Beach, CA 93449
(805) 773-4655 | PismoBeach.org

April 24, 2026

Transient Lodging Providers

Re: **TOT, LBID, and TMD Compliance, Forms, City's website**

Dear Transient Lodging Providers:

Thank you for choosing Pismo Beach as the location for your business. We truly appreciate your continued investment in our community and value the opportunity to support your success. We look forward to maintaining our long-standing relationship.

Below are some important new items and some reminders for you throughout the year.

1. **TOT/LBID/TMD Audit – ongoing**

   The City periodically conducts TOT/LBID/TMD compliance audits of transient lodging providers in Pismo Beach. The last full audit was performed in 2018 and 2019 and our current audit is already in progress. City staff and a consultant will reach out to you with instructions and expectations when your property comes up for audit. All records should be retained by you for at least three years. Note that Section 3.20.16 of the Municipal Code provides that:

   > It shall be the duty of every operator liable for the collection and payment to the city of any tax imposed by this chapter to keep and preserve, *for a period of three years*, all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the city, which records the tax administrator shall have the right to inspect at all reasonable times. To conduct such inspections, the tax administrator may utilize the services of finance department employees or of state licensed outside professional firms or persons such as certified public accountants or auditors, each of whom shall possess full city authority to conduct said inspections.

2. **Reminder: TOT, LBID, TMD Form Deadlines and Information**

   You are required to file a TOT/LBID/TMD return with the City on a monthly basis. The return, and any required payment to the City, must be filed with the City by the last day of the month that follows the reporting period. For example, the return that covers operations during January of a year must be filed no later than the last day of February of that year. A return must be filed even if no tax payment is due. You continue to be obligated to file monthly TOT/LBID/TMD forms unless you file a return for your last month of operations and notify us in writing that you are no longer doing business, have sold your business, or are no longer operating as a hotel or vacation rental.

3. **Reminder: Electronic Communication**

We primarily communicate with lodging properties via email. This allows us to communicate more effectively and timely. All future mass correspondence, such as this letter, will occur via email.

4. **Reminder: E-Filing**

We encourage you to e-file your TOT/LBID/TMD returns and to make payments electronically. Instructions about how to use the City's e-filing system can be found here. There is no transaction charge for payments made via e-check using our system.

5. **Reminder: Calculation of "Rent"**

Under the Municipal Code, TOT/LBID/TMD are calculated based on the amount of "rent" charged to your guests ("transients"). The Code defines "rent" as:

> [T]he consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever.

Non-Optional Charges are Subject to TOT/LBID/TMD

Non-optional charges that cannot be declined or avoided by the guest for staying in the selected room are considered "rent" and are subject to TOT/LBID/TMD. For example, if you charge $150.00 in room rates for a room, but also charge a "housekeeping fee" of $50 per night, a "towel fee" of $10 per night, and an "energy surcharge" of $10 per night, each of the rates, fees, and charges are considered taxable rents for purposes of the TOT/LBID/TMD.

Only charges that are truly optional and can be declined or avoided by a guest can be excluded from rents subject to TOT/LBID/TMD. A typical example would be a charge for items actually consumed by guests from a mini-bar.

Below is a list of examples of charges that typically are subject to TOT/LBID/TMD. This is not a complete list of all charges that might be subject to TOT/LBID/TMD. Only if guests can decline the fee and stay in the selected room, may the fee be deemed truly optional and exempt from TOT/LBID/TMD.

> Room rate, reservation fee, water fee, towel fee, cleaning fee, pet fee, no-show fees, attrition/cancellation fees from group bookings, late check-out fees, no-show fees, extra person charges, resort fees, surcharges, utility surcharges, insurance waiver fees, or any other non-optional fee, whether or not received, for occupancy of space in a hotel.

California Tourism Assessment Fee (CTAF)
The City is not moving forward with applying TOT and LBID and TMD assessments to CTAF at this time.

Complimentary Rooms
The City is not moving forward with applying TOT and LBID and TMD assessments to complimentary rooms at this time.

If you have any further questions about what is, or is not included in rent, please call Nadia Feeser, Administrative Services Director, or Vanessa Garris, Finance Manager, at 805-773-4655.

6. **Reminder: Check out our website at http://www.pismobeach.org/461/Lodging-Businesses for additional information about the City, TOT/LBID/TMD Forms, Ordinances, and more!**

Please do not hesitate to email or call me if you have any questions regarding this letter. It is a pleasure doing business with you. Thank you!

Sincerely,

Nadia Feeser

Nadia Feeser, Administrative Services Director
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