



SHORT TERM RENTAL/HOTEL OCCUPANCY TAX FAQs

1. What is a Short Term Rental?

Short Terms Rentals (STRs) shall mean rental of a residential premise, or portion thereof, for lodging accommodations to occupants for a period of less than thirty (30) consecutive days.

2. What is the fee schedule for an STR application in the Village of The Hills?

The application, checklist, and ordinance may be found at TheHillsTX.gov. Permits are issued for a term of one year.

Fees: Initial Application \$150 per bedroom, Annual Renewal \$100 per bedroom, Reinspection \$100 per bedroom

3. What are Hotel Occupancy Tax (HOT) funds used for?

Under Texas law, local HOT revenue be used to directly promote tourism. Visit <https://comptroller.texas.gov/economy/local/hotel.php> for more information.

4. What do I need to do next?

Property owners are responsible for contacting the State of Texas Comptroller's Office in order to register and obtain a Taxpayer ID Number to pay the State's hotel occupancy taxes. Please visit <http://www.window.state.tx.us/taxinfo/hotel/index.html> or call 1-800-252-1385 for more information. All STRs are subject to the State of Texas Hotel Occupancy Tax, in addition to the Village's Hotel Occupancy Tax.

5. How much do I charge in Hotel Occupancy Taxes?

Charge customers a 13% Hotel Occupancy Tax in addition to the room rate. 7% of the HOT is collected and paid to the Village of The Hills, and 6% of the HOT is collected and paid to the State of Texas.

6. Do I have to collect HOT on STRs booked prior to October 1, 2022?

Taxes should be collected for bookings made after October 1, 2022.

7. When do I pay Hotel Occupancy Taxes?

Hotel Occupancy Taxes for the Village of The Hills are due quarterly, one month after the end of each calendar quarter. Address payments to Village of The Hills-Finance Department – Hotel Occupancy Tax, 102 Trophy Drive, The Hills, Texas 78738. If you have not rented your STR in a particular quarter, you must still send in a \$0 Hotel Occupancy Tax Report. Taxes collected on behalf of the State of Texas should be remitted to the State Comptroller’s office, not to the Village of The Hills. The due dates for the quarters are as follows:

Quarter	Period	Due Date
1	January 1 – March 30	April 30
2	April 1 – June 30	July 31
3	July 1 – September 30	October 31
4	October 1 – December 31	January 31