

Adopting Local Option Excise on the transfer of room occupancy MGL Chapter 64G

How does a municipality adopt the local option excise on the transfer of room occupancy?

Acceptance is by a majority vote of the municipal legislative body, subject to local charter.

To accept excise the following or similar language may be used:

VOTED: That the city/town of _____ impose the local room occupancy excise under G.L. c. 64G, § 3A at the rate of _____ percent.

The following or similar language may be used to amend the local rate:

VOTED: That the city/town of _____ amend its local room occupancy excise under G.L. c. 64G, § 3A at the rate of _____ percent.

My community voted to accept the rooms occupancy excise. What's the next step?

Within 48 hours of the acceptance the city or town clerk must notify DLS by submitting this form: [Notification of Acceptance/Rescission – Room Occupancy](#). Email the notification of acceptance to databank@dor.state.ma.us.

What is local option tax rate available?

A municipality can choose to impose a rate up to 6% (6.5% in the city of Boston).

Can the rate adopted be amended?

Yes, a city or town adopting the rooms excise can choose to amend the adopted rate or even revoke it - but changes to the adopted rate can only happen once a year.

How will the excise be collected from the establishment?

Based on the effective date of the excise, DOR will collect the additional tax at the same time it collects the state tax on the room occupancy transfers.

When will DOR start collecting the excise?

The effective date is dependent on two things:

1. The wording of the article approved by the legislative body
2. The date DLS is notified of the adoption

Notification deadlines:

FY Quarter	Quarter Start Date	Local Action Deadline
Quarter 1	July 1 st	May 31 st
Quarter 2	October 1 st	August 31 st
Quarter 3	January 1 st	December 1 st
Quarter 4	April 1 st	March 1 st

For example, if a municipality votes on May 24th to adopt the local option excise effective July 1st the notification of acceptance must be received by DLS no later than May 31st. Delays in notifying DLS timely will change the effective date to the next quarter. Using this example, if DLS is notified on June 5th, the effective date will now be October 1st.

Is the local excise limited to hotels/motels?

No. Statutory changes to the room occupancy statute in 2019 expanded the definition of room occupancy transfers to include short-term rentals.

Can I request a list of all establishments registered with DOR as tax type room occupancy?

Yes. DLS can provide local officials with a list of registrations in their municipality. Email your request to databank@dor.state.ma.us.

When will we receive the local option excise collected?

DOR issues these payments quarterly. Quarterly payments are based on the taxes collected by DOR in the previous three months. For example, the September 30th local option excise distribution will be based on excise revenues received by DOR in June, July and August.

Can we request the amount of tax collected by establishment?

Unfortunately, we can't provide that detail due to DOR policy on taxpayer confidentiality. However, we can provide the revenue split between traditional lodging (hotel/motel) and short-term rentals. Email databank@dor.state.ma.us to request a report showing the revenue split.

Additional guidance is available from these sources:

- [Bulletin 2009-15B](#) Local Option Excise
- [DLS FAQs Short Term Rentals – Room Occupancy Amendments](#)
- <https://www.mass.gov/info-details/room-occupancy-excise-tax> (Mass DOR)