

City of Carlsbad, NM
Lodgers' Tax Guidelines
as of: June 24, 2020

Grace period for July 2020 requirements:

The City realizes that you may need to give your renters 30-day notice to increase rent to include Lodgers' Tax. Therefore, the City is offering a 30-day grace period, on collecting Lodgers' Tax, for those renters. For renters that are in a contract prior to July 1st the City is offering a grace period on collecting Lodgers' Tax for the duration of the contract, not to exceed one year. After one year or when the contract is renewed the contract would need to include Lodgers' Tax. Any contracts made after July 1st, would need to include Lodgers' Tax. If a contract was entered into without knowledge of the new Lodgers' Tax Ordinance the City is offering a grace period through October 31, 2020.

Registering and remitting Lodgers' Tax:

If you are not registered with the City to report and remit Lodgers' Tax, please call the City Clerk's at: 575-887-1191

Unlike some Cities, the City of Carlsbad does not require you to register for each location that you are renting. You must register by entity. For example, if you are the owner of an LLC that rents 3 houses, then you can register once and report the Lodgers' Tax for the 3 houses under one registration. Registration is by entity, not property. If you prefer to register by property, you can do that as well.

If you are using a renting platform, such as Airbnb, you are responsible to make certain that these platforms are collecting Lodgers' Tax and remitting Lodgers' Tax to the City. The obligation is on the owner of the property, not the renting platform.

Lodgers' Tax is separate from Gross Receipts Tax. Lodgers' Tax is reported directly to the City and Gross Receipts Tax is reported to the State. You may be required to pay both taxes.

Your Lodgers' Tax forms, audits, and other identifying information will be kept confidential by the City. Please see Section 48-88.

Not Complying with Lodgers' Tax reporting requirements:

You must keep accurate and detailed Lodgers' Tax Records. Please see Section 48-83.

If Lodgers' Tax is not collected and remitted to the City, the City can take certain actions, such as assessing penalty & interest, filing property liens, and filing criminal charges. Please see Sections 48-84 and 48-85.

The City will audit vendors to verify compliance with Lodgers' Tax. Please see Section 48-47.

Determine "Permanent Resident":

Guidelines on establishing someone as a "permanent resident." A permanent resident is someone who calls Carlsbad HOME. Someone who does not have primary residence in another City. Someone who has

a Driver's License with a Carlsbad address. Someone who is registered to vote in Carlsbad. Someone who has a mailing address with a Carlsbad address. Someone whose children attend Carlsbad schools. In general, it should be easy to ascertain if someone lives here, or is only here to work.

If you are not collecting Lodgers' Tax from a renter based on the assumption that he or she is a "permanent resident" you are required to keep documentation that supports this deduction. Documentation could include a statement from you outlining your determination, a copy of a Driver's License that shows a Carlsbad address, a copy of school enrollment forms for children, or a copy of a voter or vehicle registration. Credit card, bank or utility statements are also acceptable. You must fairly assess each renter based on the particular circumstances.