

Hotels, Motels
Tourist
Camps

MEMORANDUM:

TO: Jack Wilder, Supervisor
Norfolk District Office

VIA: Harris Payne, Supervisor
Field Services Division

DATE: August 1, 1977

RE: Boat Slip Rentals

The purpose of this communication is to clarify the statements contained in our April 22, 1977 memorandum relative to boat slip rentals.

The Department has interpreted Virginia Code Section 58.441.2(d) to apply only to charges for overnight-type accommodations furnished regularly to transients for less than ninety continuous days.

When a marina or other business establishment rents boat slips and provides the customary hook-ups such as electricity, water and/or sewage, it is evident that an overnight-type accommodation is being furnished. The charge made to overnight guests for a boat slip is subject to sales tax the same as when an individual rents space at a camp ground at which to park his trailer and reside temporarily.

The rental of a boat slip which will be used by the customer exclusively for the purpose of docking his boat is considered to be a non-taxable service since an overnight-type accommodation is not being furnished. This situation is comparable to a public parking lot for motor vehicles; therefore, the charge for the boat slip would not be taxable. In addition, sales tax would not apply to the charge made for holding boats in dry storage as this is also deemed to be a non-taxable service.

Should there be any further questions relative to this matter, please let us know.

Danny M. Payne, Supervisor
Tax Policy Section
Sales and Use Tax Division

DMP/jpa

CC: Peninsula District Office