



North Carolina Department of Revenue

Beverly Eaves Perdue  
Governor

David W. Hoyle  
Secretary

December 22, 2011

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Re: [REDACTED]  
Account ID#: [REDACTED]

Dear Mr. [REDACTED]

We have your letter dated September 15, 2010, regarding clarification of North Carolina's 90 day occupancy exclusion to gross receipts derived from hotel room accommodations to [REDACTED] ("Airline") occupied by Airline crew members. Enclosed with the letter was a crew room accommodations contract agreement between [REDACTED] and [REDACTED] ("Hotel").

Your agreement with the Airline states that ". . . Airline desires that Hotel provide room accommodations and other related services to Airline's crewmembers traveling on Airline duty in [REDACTED] North Carolina]. . ." The agreement further states that "[h]otel will forecast to block **Zero (0) to Twenty (20)** rooms per day" based on the "room requirement flight schedule specifying the actual number of double and single rooms required for crew layovers during the upcoming month." In addition, the agreement states "[t]he monthly flight schedule will specify the total number of rooms the Airline will be responsible to pay not including any extra room requests which require written authorization from the Airline or its representative."

N.C. Gen. Stat. § 105-164.4(a)(3)a. defines accommodation as "[a] hotel room, a motel room, a residence, a cottage, or a similar lodging facility for occupancy by an individual." The aforementioned statute provides, in part, ". . . [a] tax at the general rate applies to the gross receipts derived from the rental of an accommodation. The tax does not apply to . . . an accommodation rented to the same person for a period of 90 or more continuous days."

The 90 day occupancy exclusion is available to the Airline if a room is rented to the Airline for 90 or more continuous days, and the Airline is the party that pays the accommodation charges to the Hotel. The room does not have to be occupied by the same individual, nor does the

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accommodation rental have to be for the same room for the 90 or more continuous days. However, in order to constitute rentals of accommodations for a period of 90 or more continuous days, there must be a specific number of rooms rented to and paid for by the Airline for the continuous period for the exclusion to apply.

This ruling is based solely on the facts submitted to the Department of Revenue for consideration of the transactions described. If the facts and circumstances given are not accurate, or if they change, then the taxpayer requesting this ruling may not rely on it. If a taxpayer relies on this ruling and the Department discovers, upon examination, that the fact situation of the taxpayer is different in any material aspect from the facts and circumstances given in this ruling, then the ruling will not afford the taxpayer any protection. It should be noted that this document is not to be cited as precedent and that a change in statute, a regulation, or case law could void this ruling.

Very truly yours,

████████████████████  
████████████████████  
Administration Officer  
Sales and Use Tax Division

cc: ██████████, Director of Sales and Use Tax Division  
██████████, Assistant Director of Sales and use Tax Division