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TEMPORARY ADMINISTRATIVE ORDER

INCLUDING STATEMENT OF NEED & JUSTIFICATION

REV 12-2026

CHAPTER 150

DEPARTMENT OF REVENUE

FILED: 10/29/2026 12:17 PM

ARCHIVES DIVISION SECRETARY OF STATE & LEGISLATIVE COUNSEL

FILING CAPTION: Clarifies applicable tax rate for stays beginning before and ending after January 1, 2027.

EFFECTIVE DATE: 11/01/2026 THROUGH 04/29/2027

AGENCY APPROVED DATE: 10/28/2026

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NEED FOR THE RULE(S):

Guidance is necessary for transient lodging tax collectors to determine the state lodging tax for occupancies that start before and end after the effective date of the tax rate change.

JUSTIFICATION OF TEMPORARY FILING:

(1) Without guidance, the correct tax rate may not be collected on the consideration charged for occupancy that begins before the effective date of the tax rate change and ends after the effective date of the tax rate change. This is a policy change since the last rate change that needs to be documented in administrative rule.
(2) Lodging tax collectors and beneficiaries of the tax revenue.
(3) The rate change is effective starting on January 1, 2027. Without immediate guidance, lodging tax collectors will not know which tax rate is applicable for occupancy that starts in December 2026 and ends in January 2027, potentially leading to the expired tax rate being reported and paid to the Department. Lodging tax collectors will be responsible for paying the difference between the correct tax rate and the tax rate collected.
Incorrect tax collection may result in lower tax revenue for the tax beneficiaries, resulting in decreased funding for statutory programs.
(4) The temporary rule will provide guidance before the new rate is effective, allowing lodging tax collectors time to

prepare for the rate change and to report and remit the correct tax imposed.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

Oregon Revised Statute 320.305 and Section 6, Chapter 140, OR Laws 2026

ADOPT: 150-320-0042

RULE TITLE: Consideration Charged

RULE SUMMARY: Clarifies applicable tax rate for stays beginning before and ending after January 1, 2027.

RULE TEXT:
For purposes of section 6 of Oregon Laws 2026, chapter 140, “consideration charged” for taxable stays that begin on or before December 31, 2026, and end on or after January 1, 2027, the effective date of the rate change is imposed separately for of the days of the stay beginning on or before and the days of the stay beginning on or after the effective date of the rate change.

Example: Jane Doe books a stay at a hotel beginning December 25, 2026, and ending January 3, 2027. The hotel charges a rate that covers a daily period that begins in the afternoon of one day and ends during the next calendar day. The days of Jane’s stay from December 25, 2026, and ending January 1, 2027, are taxed at the 1.5 percent rate. The remaining days of her stay, starting with the period that begins on January 1, 2027, and ending on January 3, 2027, are taxed at the 2.75 percent rate.

STATUTORY/OTHER AUTHORITY: ORS 305.100, ORS 320.305

STATUTES/OTHER IMPLEMENTED: ORS 320.305, Oregon Laws, Chapter 140, Section 6