



FOR IMMEDIATE RELEASE
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City of San Diego 'Hotel Room Tax' to Increase Starting May 1

HIGHER TRANSIENT OCCUPANCY TAX WILL GENERATE MILLIONS OF DOLLARS FOR STREET REPAIR AND TACKLING HOMELESSNESS

SAN DIEGO – Starting May 1, 2025, the City of San Diego will increase the transient occupancy tax (TOT) – approved by voters as Measure C in 2020 – bringing in additional revenue for street repair, addressing homelessness and improving the San Diego Convention Center.

By increasing the TOT, a tax on hotel rooms, the City expects to generate approximately \$82 million in fiscal year 2026. In the first 10 years, the increased TOT is expected to generate approximately \$1.04 billion in additional revenue.

Following voter approval of Measure C in 2020, implementation was delayed due to legal challenges. The City has prevailed in trial court and is moving forward with increasing the TOT, currently at 10.5%, to be paid by hotel guests, and visitors staying in RV parks and short-term rental properties.

Measure C establishes three tax zones with corresponding rates (11.75%, 12.75%, and 13.75%), related to the lodging facility's proximity to the Convention Center. Properties within the zone closest to the Convention Center will be taxed at the highest percentage, and those furthest away will pay the lowest rate.

For the first 5 years, the additional TOT revenue will be allocated as follows:

- 59% to finance Convention Center improvements and otherwise support Convention Center operations.
- 41% to City efforts to address homelessness, including shelter and support programs, permanent supportive housing and associated costs.

For years 6 through 10, the additional TOT revenue will be allocated as follows:

- 59% to finance Convention Center improvements and otherwise support Convention Center operations.

- 31% to City efforts to address homelessness, including shelter and support programs, permanent supportive housing and associated costs.
- 10% to support street repairs included an array of street-related infrastructure improvements.

The City's Office of the City Treasurer will begin sending letters next week to lodging operators, property management companies, and online hosting platforms notifying them of the TOT rate increase. Lodging operators can look up their zone location and tax rates on the City's interactive tax zone map, access the TOT online payment portal, and receive up to date information on the [City's website](#).



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