



MUNISERVICES

Discover. Recover. Prosper.

**The are Four Key Areas for Cities to Consider
When Mapping Out an Effective Hotel
Occupancy Tax Program**

**I. Hotel Tax Ordinance &
Return**

II. Tax Administration

III. Property Audits

IV. H.O.T. Discovery

I. HOTEL TAX ORDINANCE & RETURN

A City must adopt a solid ordinance and return that entails every aspect of managing HOT.

Specifications of an Ordinance:

- Reporting Requirements
- Specified Due Dates
- Clarification of Allowable Exemptions
- Penalties & Interest
- Change of Ownership Filing Requirements
- Short Term Rentals

Specifications of a Return:

- File Monthly
- Itemize Out Rents Earned
- Reporting of Number of Room Nights Rented

II. HOTEL TAX ADMINISTRATION

A City should have a consistent program in place for administering their HOT program.

Management of the program should go beyond just the collection and deposit of HOT funds.

- Single contact person, or firm, for all communication.
- Assessment of penalties & Interest consistently applied, when warranted.
- Monthly reconciliation reports.
- Historical reports that track each property over the last 4 years.
- Track changes of ownerships.
- Close communication & cooperation with legal department for action and consultation.

III. PROPERTY AUDITS

- Full comprehensive analysis of each lodging property, that coincides with data submitted to the State.
- On-Site field audits to validate the data reported to City & State.
- Property training, and additional resources to go to ask questions.

On-Site Audits:

- Examination of property records to validate all rents reported.
- Guest Folios
 - Exemption Certificates
 - Bank Statements
 - Franchise Reports
 - Housekeeping Reports
 - Monthly Reports from Property Management System
 - Profit & Loss Statements

IV. HOT DISCOVERY

A City should include a program that ensures ALL entities that rent per night pay HOT.

SHORT TERM RENTALS

- **Bed & breakfast**
- **Condos**
- **Personal Homes for Rent**

Issues:

- Identify homes, etc. not remitting HOT
- How to collect for back taxes
- Permits to operate non-traditional rental properties

Zoning:

- Noise, parking, litter, other issues related to short term rentals
- Health & Safety Issues
- Crime Control Issues
- State & Federal Requirements for homes with pools and hot tubs.