



Hotel/Motel Occupancy Tax Information

4/6/2021

Under City Ordinance Number 761, an occupancy tax of 7% is levied on any room or space furnished by any hotel or motel within the city or within the city's extraterritorial jurisdiction. The hotel occupancy tax is imposed against any person (including any corporation and any other legal entities) who either occupies or has the right to occupy the hotel room. Under the auspice of the hotel/motel definition, the following are also responsible for collecting the occupancy tax: any tourist home, tourist court, lodging house, inn, rooming house, bunk houses, residency inns, condominiums, cabins, cottages, or bed and breakfast. The occupancy tax is assessed against the use or right to use a room that is ordinarily used for sleeping.

The occupancy taxes collected are then used to directly enhance and promote tourism and the hotel and convention industry. The expenditure must fit into one of the five following categories:

- Fund the establishment, improvement, or maintenance of a convention center or visitor information center.
- Pay the administrative costs for facilitating convention registration.
- Pay for tourism-related advertising and promotions of the City or its vicinity.
- Fund programs that enhance the arts.
- Fund historical restoration or preservation programs.

Exemptions

Some government agencies or employees are exempt from the hotel/motel occupancy tax. Federal government agencies or employees and United States government and its employees traveling on official United States government business are exempt from the occupancy tax. These employees must fill out a tax exemption certification form.

Most State employees are **not** exempt from the occupancy tax. State employees who present a special Hotel Tax Exemption Card are exempt. State employees *without* the Hotel Tax Exemption Photo ID or Tax Exemption Card are **not exempt**. Diplomatic personnel of a foreign country who present a Tax Exemption Card issued by the U.S. Department of State are also exempt from the City Hotel Occupancy Tax.

Permanent residents, hotel guest who notify the hotel in advance either in writing or verbally and occupy or have the right to occupy a room for at least **30 consecutive days**, are exempt from the City Occupancy Tax.



Not Exempt

The following are **not exempt** from the City Occupancy Tax:

- City and County governments and their employees and
- Religious, educational, or charitable organizations

Each establishment is required to obtain an Exemption Certificate at the time of registration and maintain the certificate on file in order to qualify for an exemption. If an exemption ID card is used, a copy must be on file.

A hotel/motel that fails to report, collect or remit the City Hotel Occupancy Tax owed by the 15th day of the month following the end of the quarter, may be subject to a fine, penalty and any attorney fees associated with the collection of this tax.

Please note the State and City occupancy tax requirements differ.

SIMPLIFIED, BASIC HOTEL OCCUPANCY TAX (H.O.T.) EXEMPTION RULES

Type of Business Requesting Exemption	Exempt From State H.O.T.	Exempt From Local H.O.T.	Comments
Agricultural Development Corporation	Yes	Yes	Guest must present comptroller letter of exemption Guest must fill out tax exemption certificate
City and County Employees	No	No	
Charitable Organizations	Yes	No	Guest must present comptroller letter of exemption Guest must fill out tax exemption certificate



Educational Organizations Within the State of Texas	Yes	No	Guest must fill out tax exemption certificate
Educational Organizations Outside the State of Texas	No	No	
Electric and Telephone Cooperatives	Yes	Yes	Guest must present comptroller letter of exemption Guest must fill out tax exemption certificate
Federal Employees	Yes	Yes	Guest must fill out tax exemption certificate
Foreign Diplomats	Yes	Yes	Guest must present tax-exempt card issued by U.S. Department of State. Guest must fill out tax exemption certificate
Health Facilities Development Corporations	Yes	Yes	Guest must present comptroller letter of exemption Guest must fill out tax exemption certificate
Housing Authorities Finance Corporations	Yes	Yes	Guest must present comptroller letter of exemption Guest must fill out tax exemption certificate
Permanent Residents (30 days or more)	Yes	Yes	Guest must notify of their intent to stay 30 or more days from the beginning. If stay is interrupted, hotel occupancy taxes must be paid.
Public Facility Corporation	Yes	Yes	Guest must present comptroller letter of exemption Guest must fill out tax exemption certificate
Regional Education Service Centers	Yes	No	Guest must fill out tax exemption certificate
Religious Organizations	Yes	No	Guest must present comptroller letter of exemption Guest must fill out tax exemption certificate
State Employees with Photo ID Hotel Tax Exemption Card	Yes	Yes	These are heads of state agencies, members of state boards and commissions, state legislators and their staff, and state judges.



			<p>Gust must present state photo ID card that specifically notes that employee is exempt from hotel occupancy tax</p> <p>Guest must fill out tax exemption certificate</p>
<p>State Employees without Photo ID Hotel Tax Exemption Card</p>	<p>No</p>	<p>No</p>	<p>Guest must pay the tax, and the state or local government will then reimburse the state employer through a separate process.</p>