

**CITY OF SAN ANTONIO
INTERDEPARTMENT CORRESPONDENCE
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council
FROM: Milo D. Nitschke, Finance Director
Janis Schmees, Acting Director Convention & Visitors Bureau
SUBJECT: Hotel Occupancy Tax Collection Fee
DATE: September 15, 2005

SUMMARY

This ordinance eliminates Section 31-69 (b) and 31-73 (a) of the City Code which provides for hotels to deduct and withhold one percent (1%) of the City hotel occupancy tax due if remitted to the City by the twentieth (20th) day following the end of the collection/reporting period, effective beginning for the October 2005 hotel occupancy tax collection/reporting month.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Chapter 31, Article IV of the City Code provides that a nine percent (9%) hotel occupancy tax be levied upon the cost of or consideration paid for a sleeping room furnished by any hotel located within the corporate limits of the City of San Antonio. Hotels are required to remit the hotel occupancy tax no later than the last day of the first (1st) calendar month following the collection/reporting month. Ordinance No. 54564, approved on November 19, 1981, amended the City Code providing that one percent (1%) of the hotel occupancy tax collections due may be deducted and retained by the hotel as reimbursement for the cost of collection if the hotel occupancy tax is remitted to the City by the twentieth (20th) day following the end of the collection/reporting period.

POLICY ANALYSIS

Cities which do not provide for retention of a collection fee/discount for hotel occupancy taxes include: Houston, Austin, New York, Los Angeles, Phoenix, and San Diego. Cities which do provide for retention of a collection fee/discount for hotel occupancy taxes include: Dallas (1%), Las Vegas (2%), Chicago (1%), and Atlanta (3%).

FISCAL IMPACT

The financial impact of this initiative will result in an additional \$329,396 for the Community and Visitors Facilities Fund and \$93,947 to the Hotel/Motel 2% Capital Improvement Fund. There is no General Fund impact.

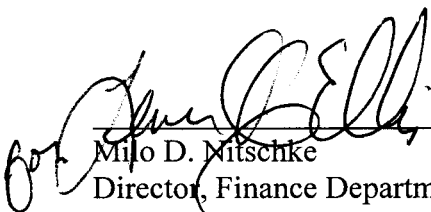
COORDINATION


This item has been coordinated with Convention and Visitors Bureau, Office of Management and Budget, Contract Services, Finance and the City Attorney's Office.

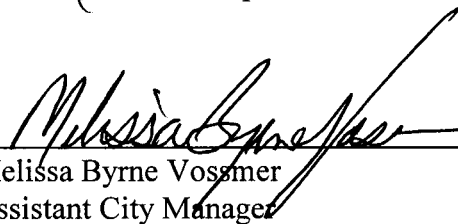
SUPPLEMENTAL COMMENTS

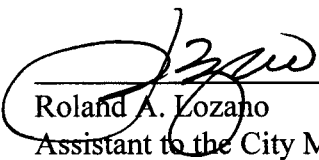
The requirements of the City's Ethics Ordinance are not applicable.

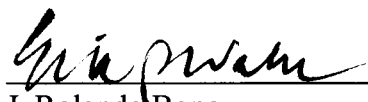
SIGNATURES


Milo D. Mitschke
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Melissa Byrne Vossmer
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Roland A. Lozano
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