



Hotel/Motel Tax

February 13, 2013



Hotel/Motel Tax

- O.C.G.A. Section 48-13-50, *et seq.*
- Municipalities and Counties (within special districts) may levy and collect an excise tax on “rooms, lodgings, or accommodations”
- Tax levies range from 3% to 8%
- The tax levy percentage available to a municipality is determined by a list of 20+ separate options each listed in the H/M Tax statute
- City of Atlanta collects 8% H/M Tax
 - 7% under Section 48-13-51(a)(5)
 - 1% under Section 48-13-51 (b)(7)(a)



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- Generally speaking, many of the authorizing paragraphs were developed by the General Assembly to address specific projects designed to promote, attract, stimulate and develop conventions, tourism and related events:
 - A classification of who can collect
 - *Examples:* If your municipality has....
 - A municipal-owned community auditorium renovated before July 1, 1995
 - Development Authority-owned 50,000+ square foot convention center
 - Specific Projects that have been benefited include:
 - Georgia Dome
 - Calloway Gardens
 - Conyers Horse Park
 - The Statute Typically Restricts how the taxes collected can be expended.
 - *Examples:* X% of tax collected must be used for...
 - Promoting tourism, conventions and tradeshow
 - Supporting a convention and tradeshow facility



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- **Atlanta's Restrictions:**

- Current H/M Tax will expire December 31, 2020
- May be extended to December 31, 2050; provided that 39.3% of collections (of 7% H/M Tax) is used for “successor facility” to Georgia Dome
- **32.14% (of 7% of H/M Tax) toward:**
 - Promoting tourism, conventions and tradeshow
 - State Authority-owned facility for convention and tradeshow purposes
 - Local Authority or Local Government-owned facility for convention and tradeshow purposes (in operation before July 1, 1987)
 - Local Authority or Local Government-owned facility for convention and tradeshow purposes (if construction funded (fully or in part) by state funds)
 - Can be a combination of the above

Except for locally-owned facilities, funds must be expended through a contract with the state, a state department, state authority, or nonprofit

- **39.3% (of 7% of H/M Tax) toward:**
 - Georgia Dome and “successor facility,” if extended
- **100% of additional 1% of H/M Tax:**
 - Not for profit destination marketing organization (e.g., ACVB)
- *Remaining 28.56% (of 7% of H/M Tax) is not restricted by statute and has been deposited to City's General Fund*



Required City Action to Continue H/M Tax after 2020

- City Council Resolution to continue the H/M Tax
- City Council approval of a Funding Agreement
- City Council approval of potential additional Intergovernmental Agreements for “any successor facility”