

# State of Texas Hotel Occupancy Tax Frequently Asked Questions (FAQ's)

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## Who is Avenu Insights & Analytics?

Avenu, "formerly known as MuniServices, LLC", is a private company that has been contracted to administer the collection of Hotel Occupancy Tax for several jurisdictions within the State of Texas. For additional information regarding Hotel Tax or for a list of Avenu administered municipalities, please contact Avenu at:

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Birmingham, AL 35283-0724  
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## Who must collect hotel tax?

A hotel's owner, operator or manager must collect hotel taxes from their guests. For the purposes of the *state* tax, a hotel is considered to be any building in which members of the public rent sleeping accommodations for \$15 or more per day. *Local* hotel taxes apply to sleeping rooms costing \$2 or more per day.

The tax covers hotels, motels, bed and breakfasts, as well as condominiums, apartments and houses rented for less than 30 consecutive days. Hotel tax does not apply to hospitals, sanitariums, nursing homes, student dormitories operated by colleges and universities, or condominiums, apartments and houses leased for more than 30 consecutive days.

## What is the hotel tax rate?

The state hotel tax rate is 6 percent. Cities and some counties and special purpose districts can each levy local hotel taxes, generally at rates varying up to 9 percent; sports and community venue projects can levy hotel taxes at rates varying up to 2 percent. (Tex.Tax Code 156.052)

## What government agency handles hotel taxes?

The State of Texas Comptroller's office collects and administers the 6 percent state hotel tax, while cities and counties are responsible for collecting their own local hotel taxes and/or contracting with 3<sup>rd</sup> party vendors to assist in the administration/collection of local hotel taxes.

How do I apply and/or register for Hotel Tax thru Avenu Insights & Analytics? Please visit our website at [www.avenuinsights.com](http://www.avenuinsights.com) for a list of Avenu administered municipalities before completing this step.

Avenu offers both **online filing** and **paper filing** options for most taxpayers. Forms are available through our website at [www.avenuinsights.com](http://www.avenuinsights.com). (Taxpayer -> Texas -> Taxpayer Forms).

### **For Online filing**

You may access online filing by either going directly to [www.hoteltaxonline.com](http://www.hoteltaxonline.com) or by visiting our website at [www.avenuinsights.com](http://www.avenuinsights.com). (Taxpayer -> Texas -> Online Filing):

1. From the Home page of [www.hoteltaxonline.com](http://www.hoteltaxonline.com), click "Create a Business Account".
2. Sign Up for a New Account: Begin by creating the username and password for your online filing account and entering your contact information. Be sure to store your username and password in a safe place.
3. Business Information: Enter the information of the business you are filing for. This information will appear on the returns you file online.
4. Security Question: Click the link next to a question to use or type in your own question. Enter the answer to your question. Click the next button to save and continue. If you forget your password, contact us [supportmuni@avenuinsights.com](mailto:supportmuni@avenuinsights.com) or call (866) 240-3665 for assistance.
5. Location Information: Click the Yes button at the top of the screen to continue past this page if not needed.
6. Return Setup: This is the step where you will set up the returns you want to file with their corresponding account number(s). **Note:** Upon completion of your online registration, you will receive a confirmation email. Select options from the drop-down menus. Click the Add Return button. The return appears in a table at the bottom of the screen. Click the Yes button at the top of the screen when you are finished setting up your return to continue to the home page of your account.
7. Congratulations! Your Online Filing account setup is complete. You are ready to begin filing your monthly and/or quarterly returns.

### **What type of revenue is taxable?**

- **Hotel Room Revenue:**
- **Transient Rooms Revenue** - Visit our website at [www.avenuinsights.com](http://www.avenuinsights.com) to determine the tax rate for your particular City and/or County.
- **Room Cancellation Fee** – Hotel tax is due when the full room rate is paid, and cancellation is within 30 days of the scheduled stay. *\*Fees paid that are less than the room rate are not taxable, such as a percentage or sliding scale. (Tex. Tax Code 156.051(a))*
- **Room Attrition Fee** (*Fee charged because group did not fulfill their total event commitment. For example, an event blocked 200 rooms, but only 150 rooms were rented and occupied, and the event was charged a penalty for 50 rooms not rented.*) (Tex. Tax Code 156.051 (a))
- **Packages (e.g. golf, honeymoon, and ski packages)** – When the bill to the customer is lump sum, the entire amount is subject to hotel tax; when the bill separately states the room charge from the other package items, the room charge is subject to hotel tax. The other separately listed package items may be subject to different taxes, such as sales or mixed beverage taxes.
- **Tour Operators, Meeting Planners and Online Travel Companies** and any others who resell rooms.

- **Other Miscellaneous Revenue Fees that are taxable:** Pet fees, rollaway bed charges, refrigerator charges, safe charges and smoking fees. Also include under this category are separately stated cleaning fees. Hotel tax is due on all charges for items or services, other than personal services or the use of a telephone, furnished in connection with the actual occupancy of the room. (Tex. Tax Code 156.051).

### Who is exempt from paying state and local hotel taxes?

- The U.S. government and its employees traveling on official business.
- Foreign diplomats issued a tax exemption card by the U.S Department of State, unless the card specifically excludes hotel tax.
- Certain Texas state officials presenting a **Hotel Tax Exemption Photo ID Card** (includes heads of state agencies, members of state boards and commissions, judicial officials at the district court level and above, state legislators and legislative employees). With few exceptions, employees of state agencies, boards, commissions and institutions are not exempt and must pay state and local hotel taxes. Most state employees are reimbursed automatically through travel vouchers. Texas state agencies can also request a refund of the hotel tax paid. For designated Texas state employees – mostly judicial officials, heads of agencies, and members of state boards, commissions and the Texas Legislature – the employing agency will issue a special hotel tax exemption photo ID or card . These employees are exempt from state and local hotel taxes. (District attorneys and district judges will receive their cards from the Comptroller’s Office.)
- Permanent residents who occupy a room for at least 30 consecutive days.
  - Any interruption in the term of occupancy will void the exemption.
  - Guests who do not notify the hotel must pay the tax the first 30 days and are exempt thereafter.
- Specific Nonprofit Entities: Certain nonprofit electric cooperatives, nonprofit telephone cooperatives, nonprofit housing authorities, housing finance corporations, public facility corporations, health facilities development corporations, and cultural education facilities finance corporations.
- Nonprofit Religious, Charitable or Education Organizations (State only unless outlined as allowable by local ordinance).

### Where can I locate a copy of the Texas Municipal Code?

You can locate a copy of the State of Texas Occupancy Tax Codes via their website at <https://comptroller.texas.gov/taxes/hotel/reference-guide.php>.

### Additional Resources:

Texas Hotel & Lodging Association - <https://texaslodging.com>

**DISCLAIMER:** This document is to be used as a reference when filing for Hotel Occupancy Tax only. For additional questions concerning the collection and filing of Hotel Occupancy Tax, please contact Avenu and/or seek legal advice from a qualified Tax Accountant or Tax Attorney