

WHO IS EXEMPT FROM PAYING STATE & LOCAL HOTEL TAXES?

State and Local HOT Exemption

- Federal government 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
- Texas State officials with a special hotel tax exemption card
- Some nonprofit entities and their employees traveling on official business

State Exemption Only

- Exempt religious organizations
- Qualified charitable organizations
- Educational organizations including independent school districts, public and private elementary and secondary schools, and in-state higher education institutions
- Visit Comptroller.Texas.gov for additional information

Permanent Residents or Extended Stay

Guests who have the right to use or possess a room in a hotel for at least 30 consecutive days, so long as there is no interruption of payment for the period. The guest must notify the hotel of their intent to stay at least 30 consecutive days by providing a letter of intent.

Are Local Government Agencies and Their Employees Exempt from Hotel Taxes?

No. County and city agencies and their employees must pay state and local hotel taxes, and cannot request refunds of taxes paid.

COMMON TERMS

- **Room Rate (RR):** sleep room charge or lodging rate
- **Arlington Tourism Public Improvement District (ATPID):** a **2%** rate collected for the Arlington Convention Visitors Bureau for Tourism Incentives
- **City Tax HOT:** a **9%** Hotel Occupancy Tax collected for the City of Arlington
- **State Tax HOT:** a **6%** Hotel Occupancy Tax collected for the State of Texas
- **Texas Recovery Fee:** a **0.525%** hotel charge to cover the hotel's extra expenses
- **Sales Taxable Items:** general services and items provided through the hotel that are subject to the **8.25%** Sales Tax

HOTEL OCCUPANCY TAX GUIDE

This brochure is for general information regarding hotels in the City of Arlington, Texas. For additional information regarding services of a specific hotel, please contact that hotel for additional information.



FREQUENTLY ASKED QUESTIONS

Who Must Collect Hotel Occupancy Taxes?

Every person owning, operating, managing or controlling any "hotel" shall collect the tax imposed and remit to the City.

Hotel Occupancy Tax (HOT) must be reported for each calendar month, even if there are no taxable room receipts.

A "hotel" is any building in which members of the public obtain sleeping accommodations for consideration. The term includes, but is not limited to a:

- Hotel
- Motel
- Short Term Rentals (STR)
- Bed and Breakfast (B&B)

The term does not include hospitals, sanitariums, or nursing homes; or a dormitory or other housing facility owned or leased and operated by an institution of higher education, or a private or independent institution of higher education.

What are ATPID and Hotel Recovery Fees?

Arlington Tourism Public Improvement District (ATPID) 2%

The City of Arlington's ATPID rate is 2% of the room rate, plus applicable fees and charges. This rate is for hotels that have 75 or more rental sleeping rooms on site. For more information on ATPID, please visit the ATPID website at ArlingtonTX.gov/ATPID

Hotel Recovery Fee 0.525%

Texas law imposes a margin tax on each company conducting business in Texas, including the hotel owner.

To recover the cost of the margin tax, guest room rates are subject to a "State Cost-Recovery Fee" (currently 0.525% of the room rate, plus applicable state and local taxes).

HOTEL OCCUPANCY TAX (HOT)

What Are Common Hotel Occupancy Taxes from an Arlington Hotel?

Fees related to room occupancy or readying the room for occupancy are subject to HOT.

Hotel Occupancy Tax 15%

City of Arlington 9% Tax Rate

The City of Arlington's Hotel Occupancy Tax rate is 9% of the room rate, plus applicable fees and charges. The rate is comprised of a 7% for the City and an additional 2% for the venue.

State of Texas 6% Tax Rate

The State of Texas imposes a 6% Hotel Occupancy Tax rate. For information on the State Hotel Occupancy Tax, please visit the Texas State Comptroller's website at Comptroller.Texas.Gov

What is a Trolley Fee?

Arlington Trolley Fees managed by Arlington Entertainment Area Management District (AEAMD).

AEAMD assesses \$1.90 per room per night (occupied rooms only) at participating hotels within the Entertainment District.

For more information, please visit ArlingtonTrolley.com

Is There Hotel Occupancy Tax On Meeting or Banquet Rooms?

The 6% state hotel tax applies to any room or space in a hotel, including meeting and banquet rooms. Local hotel taxes, however, are due only on those rooms ordinarily used for sleeping. There are no state or local hotel taxes on meeting and banquet rooms located in a building where no sleeping accommodations are provided.

What Services or Items Are Taxed at the Sales Tax Rate?

General services (check with the Hotel on specific services) and separately charged services or items not subject to HOT are subject to the 8.25% sales tax.

For additional information regarding taxable services and items, please visit the State of Texas Comptroller's "Quick Reference Guide for Hotels" at Comptroller.Texas.Gov/Taxes/Hotel/Reference-Guide.php.

GENERAL HOTEL TAX AND FEE CALCULATIONS

Common Arlington and State of Texas Rates

City HOT	9%
State HOT	6%
Sales Tax	8.25%
ATPID	2%
Texas Recovery Fee	0.525%

Hotel Bill Example (Hotel > 74 rooms)

Room Rate Per Night (RR)	\$225.00
Personal Parking Service Per Night (PS)	\$45.00
ATPID 2% = RR * 2%	\$4.50
= 225.00 * 0.02	
City Tax 9% = (RR + ATPID 2%) * 9%	\$20.66
= (225.00 + 4.50) * 0.09	
State Tax 6% = (RR + ATPID 2%) *	\$13.77
6% = (225.00 + 4.50) * 0.06	
Texas Recovery Fee = RR * 0.525%	\$1.81
= 225.00 * 0.00525	
Sales Tax 8.25% = PS * 8.25%	\$3.71
= 45.00 * 0.0825	
Trolley fee	\$1.90
TOTAL HOTEL BILL	\$316.35