



#1 COURTHOUSE CIRCLE DR., SUITE 105
JOURDANTON, TEXAS 78026

OFFICE 830.769.3620
FAX 830.769.1183

TRACY BARRERA
Atascosa County Auditor
tracy.barrera@atascosacounty.texas.gov

August 18, 2021

Dear Hotel Operator:

On behalf of Atascosa County, I am writing to inform you of certain obligations on your business which result from the passage of S.B. 696 by the Texas Legislature earlier this year. S.B. 696 amended Texas Tax Code Chapter 352 to authorize an additional hotel occupancy tax by Atascosa County on hotel occupants staying at hotels in the County. Effective September 1, 2021, the County has implemented this hotel occupancy tax through the adoption of an order. The order that was adopted on Tuesday, August 17, 2021 is included. The Auditor's office is now the one administering this new hotel occupancy tax and your hotel business, is obligated to collect the tax from occupants. This letter provides details and instructions concerning your collection and remittance of the tax to the County.

What is the tax rate and when is it effective?

The tax rate is two percent (2%) of the price for the Occupancy of a room in the Hotel (the "hotel occupancy tax). The tax is effective for rentals occurring on or after September 1, 2021.

Who pays the tax?

The tax is imposed on any person who, for consideration, uses, possesses or has a right to use or possess any room ordinarily used for sleeping in a Hotel under any lease, concession, permit, right of access, license, contract or agreement.

Section 4 of the enclosed Order describes certain persons and rentals which are exempt from the tax.

Who is responsible for collecting the tax and remitting it to the County?

Every Person owning, operating, managing or controlling any Hotel is required to collect the tax on behalf of the County. Section 5 of the proposed Order establishing the tax sets out certain information that must be provided on the occupant's hotel receipt.

When and how are taxes paid to the County?

Taxes that you collect under this new provision during September must be remitted to the County quarterly on or before October 20, 2021 and thereafter, the tax receipts you collect in each quarter thereafter must likewise be postmarked to the County by the 20th day after the end of each quarter with the information in the manner set out in Section 6 of the Order. However, special rules allow the hotel to be compensated for the expense of collecting and remitting the tax if the taxes are postmarked to the County by the 15* day of the month following the end of each quarter, instead of the 20th See the next section for details.

How is the Hotel compensated for collecting the tax?

To compensate the hotel for the expense of collecting and remitting the tax, the law allows for the hotel to retain one percent of the amount collected each month. However, in order to be eligible for this compensation, the hotel must remit tax receipts postmarked to the County by the 15 day of the month following the end of each quarter. Details and procedures for this reimbursement are described in Section 9 of the Order.

What penalties apply if the tax receipts are remitted late or not collected?

The Owner of a Hotel who fails to report and/or pay the hotel occupancy tax when due is subject to a five percent (5%) of the amount of the tax due. If the Owner fails to file the report or pay the tax before the 31" day after the date that the report or tax payment was due, he/she shall pay an additional penalty of five percent (5%) of the amount of the tax due. Delinquent hotel occupancy taxes and accrued penalties draw interest at the rate of (10%) per year beginning sixty (60) days after the date on which the tax was due to the County. In addition to the amount of hotel occupancy tax, penalties and interest, the County shall be entitled to all its costs and reasonable attorneys' fees incurred in enforcing this Order against the Person owning, controlling, operating or managing a Hotel and in collecting any tax owed by the Person. A copy of the approved order that was approved on August 17 is enclosed.

Reporting Hotel Occupancy Taxes

Enclosed you will find a copy of the Hotel Occupancy Tax Report that you will need to file each quarter. Please fill out the enclosed Information Sheet and send it back with your first report.

If you have any questions, or need any further clarification on this matter feel free to contact me.

Sincerely,

Tracy Barrera
Atascosa County Treasurer