



FINANCIAL SERVICES  
DEPARTMENT

# Hotel Occupancy Tax Overview



# Hotel Occupancy Tax (HOT) Overview

- ✓ Hotel Occupancy Tax (HOT) is a tax placed on each night's stay at a hotel, motel, bed and breakfast, and short-term rental
  - City of Austin collects 11 cents per \$1; State collects an additional 6 cents per \$1
  - City's Remittance schedule:

Quarter	Tax Due
January – March	April 30
April – June	July 31
July – September	October 31
October – December	January 31

- ✓ HOT is used to promote tourism and the convention and hotel industry in Austin

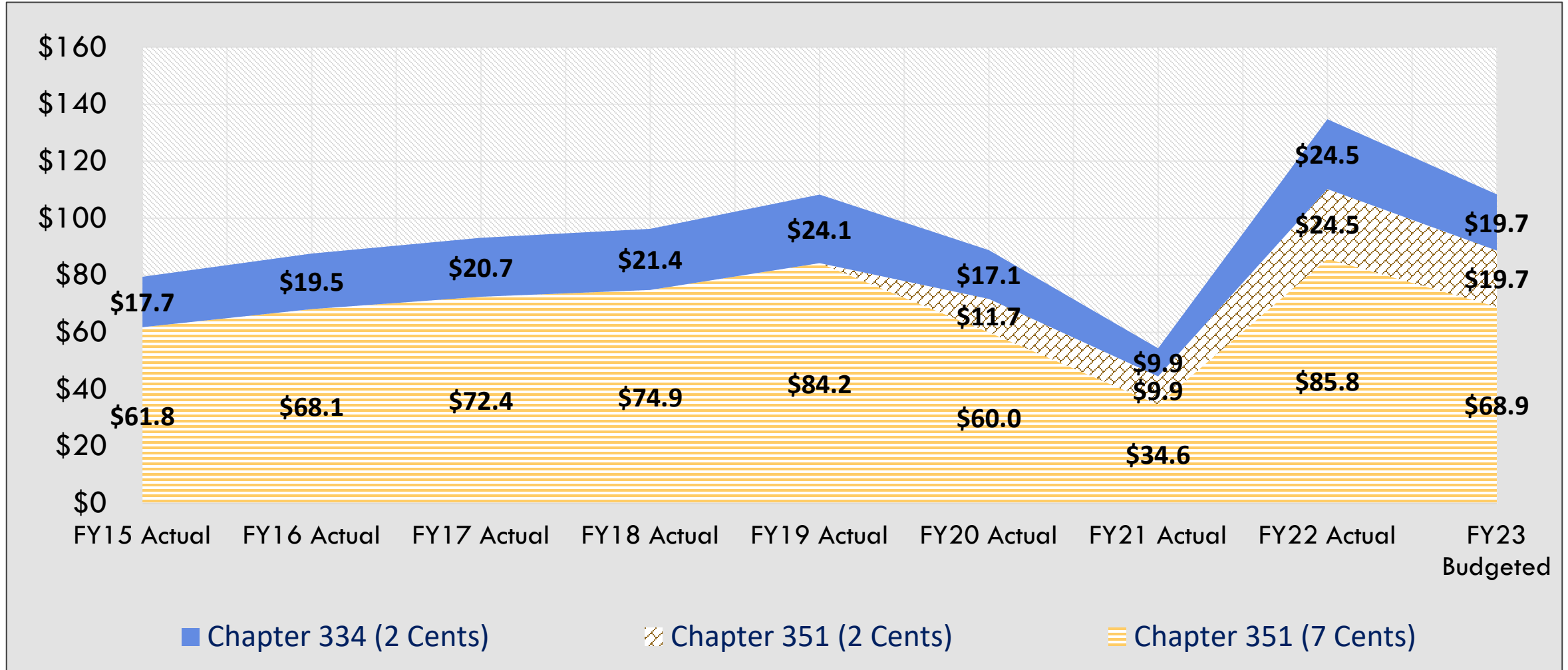
# Legal Framework

<b>Texas Tax Code, Section 351</b>	<b>Local Government Code, Section 334</b>	<b>Texas Tax Code, Section 351.1065</b>
<b>7 cents</b>	<b>2 cents</b>	<b>2 cents</b>
<ul style="list-style-type: none"><li>• Construction, operation, and maintenance of convention center facilities</li><li>• Advertising and promotional programs to attract tourists and convention delegates</li><li>• Cultural arts (maximum of 15%)</li><li>• Historical preservation (maximum of 15%)</li></ul>	<ul style="list-style-type: none"><li>• Voters approved the City's current Hotel Tax Venue in 1998 for the northside expansion of the convention center</li></ul>	<ul style="list-style-type: none"><li>• Eligible municipalities may impose an additional hotel tax up to 2 cents under Chapter 351 for the expansion of an existing convention center</li><li>• City Council approved the additional 2 cent assessment on August 8, 2019</li></ul>

# HOT Allocation




	11¢ Allocation	Description	FY 2023 Budgeted	Use of Funds
Local Gov. Code, Section 334	2.0¢	Venue Project Fund	\$19.7 million	<ul style="list-style-type: none"> <li>Debt Service</li> <li>Northside expansion project</li> </ul>
Texas Tax Code, Section 351.1065	2.0¢	Convention Center Capital Fund	\$19.7 million	<ul style="list-style-type: none"> <li>Austin Convention Center Expansion Project</li> </ul>
Texas Tax Code, Section 351 (Total of 7 cents)	4.5¢	Austin Convention Center	\$44.3 million	<ul style="list-style-type: none"> <li>Debt Service</li> <li>Maintenance and Operations</li> <li>Capital Improvements</li> <li>Additional funding for Visit Austin</li> <li>15% of Section 351.1065 2¢ for live music and historic preservation</li> </ul>
	0.4¢	Tourism and Promotion	\$3.9 million	<ul style="list-style-type: none"> <li>Visit Austin</li> </ul>
	1.05¢	Cultural Arts	\$10.3 million	<ul style="list-style-type: none"> <li>Economic Development Department staff</li> <li>Artists and Arts Organizations</li> </ul>
	1.05¢	Historic Preservation	\$10.3 million	<ul style="list-style-type: none"> <li>70% for City of Austin facilities and sites</li> <li>15% for potential future historic acquisitions or major preservation projects</li> <li>15% to the Heritage Grant Program</li> </ul>

# HOT Collections (in millions)



# Short Term Rentals (STRs)

- STRs are residential dwelling units or accessory buildings rented on a temporary basis, for periods of less than 30 consecutive days
- Ordinance No. 20160223-A.1 requires owners of STRs to obtain an operating license annually through the Austin Code Department

	Type 1	Type 2	Type 3
Definition	Owner-occupied	Not owner-occupied	Either owner-occupied or not owner-occupied
# of Current Active Licenses	1,425	98	450
HOT Revenue in FY22	\$4.3 million	\$571,000	\$2.4 million
	Single-family, multifamily or duplex 	Single-family or duplex 	Multi-family, not a duplex 

# Questions?

More information about city finances available at:  
[financeonline.austintexas.gov](http://financeonline.austintexas.gov)

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