

LEGISLATIVE DIGEST

[Business and Tax Regulations, Police Codes - Exempting Certain Parking Stations and Hotels]

Ordinance amending the Business and Tax Regulations Code to exempt parking stations and hotels earning less than \$40,000 in gross annual rental revenue from the requirements to obtain a certificate of authority and to make monthly remittances, and to exempt such parking stations from the requirement to obtain a parking tax bond.

Existing Law

Currently, every operator under the transient hotel occupancy tax and the parking space occupancy tax must apply to the Tax Collector for a certificate of authority to collect third-party taxes. The holder of a certificate of authority is presumptively liable for the collection of taxes at the location named in the certificate. Parking station operators are also required to file a bond naming the City as exclusive beneficiary. Hotel Taxes and Parking Taxes are due monthly.

Amendments to Current Law

These amendments exempt parking and hotel operators earning less than \$40,000 in gross annual revenue from Rent, from the requirement to obtain a certificate of authority and to make monthly remittances. The prior approval of the Tax Collector is required. At any time the gross revenues from Rent exceed \$12,000 during any quarter, the Parking Station or Hotel must report and file monthly tax returns beginning the following month. Parking Station Operators with less than \$40,000 in gross annual revenue from Rent will also be exempted from the requirement to obtain a parking tax bond. These amendments do not exempt valet parking operators or operators making combined revenues greater than \$250,000 per year from the monthly filing or bonding requirements.

Background Information

The amendment is intended to simplify and facilitate collections by small third-party taxpayers.

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