

# TOT Methodology & Technology Panel

## A Tale of Three Counties

- *Mariposa County*
- *Monterey County*
- *San Francisco City and County*



CACTTC

EDUCATION CONFERENCE 2013

# PRESENTED BY:

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- **Keith Williams**  
Treasurer – Tax Collector  
Mariposa County
- **Mary Zeeb**  
Treasurer – Tax Collector  
Monterey County
- **Loretta Lieberman**  
Business Tax Account Services Manager  
City and County of San Francisco



# MARIPOSA COUNTY

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**Keith Williams**  
Treasurer – Tax Collector  
Mariposa County



# MARIPOSA COUNTY

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## Tax / Assessment

10% Transient Occupancy Tax

1% Tourism Business Improvement District

## Number of Accounts

27 Hotels

21 Bed & Breakfasts

415 Transient Rentals (*245 managed by four companies*)

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463 Grand Total

**Averaged 40 new rentals last 3 years**



# MARIPOSA COUNTY

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## **Set Asides - Who Gets the Money**

- Mariposa Yosemite Tourism Bureau
- Mariposa Chamber of Commerce
- Mariposa Visitor's Center
- Mariposa Art's Council
- Mariposa Storytelling Festival
- Mariposa Butterfly Festival



# MARIPOSA COUNTY

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## Enforcement

- Unsecured Taxes – Revenue & Taxation Code
  - Letters
  - Liens
  - Bank Levy
- Twice Penalty – Operating without a Certificate



# MARIPOSA COUNTY

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## New Operators

- Operators make first contact
- Fictitious Business Name Statement
- Word of Mouth (neighbors, other operators)
- Scan the Internet
  - VRBO
  - Airbnb
  - Homeaway
  - Trip Advisor





# MARIPOSA COUNTY

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## Technology

- County Website
  - Self-calculating forms
  - Exemption forms
  - County Ordinance
- New web-based TOT program
  - All transactions completed and stored online
- E-checks





# Transient Occupancy Tax System

## Transient Rental Search

Search Reset

### Transient Rental Details

Name

Status

Cert #

Party

Type

### Date Ranges

Application  to

Certificate  to

Inactive  to

### Number Ranges

Bed Count  to

Occupants  to

### Site Information

APN

District

Area

Street

City

Zip

5 results found

Business Name	Certificate Number	Party	Rental Type	Beds	Occupants	Address
Yosemite Concession	2001013	Cindy Bower, Manager	Hotel	104	0	Highway 140 Yosemite
Yosemite Concession	2001023	Cindy Bower, Manager	Transient	266	0	Highway 140 Yosemite
Yosemite Concession	2001015	Cindy Bower, Manager	Hotel	245	0	Highway 140 Yosemite
Yosemite Concession	2001014	Cindy Bower, Manager	Hotel	123	0	Highway 140 Yosemite
Yosemite Concession	2001012	Cindy Bower, Manager	Hotel	628	0	Highway 140 Yosemite

### TR History

- Yosemite Places In Paradise
- Yosemite Peregrine Lodging
- Yosemite Park Place
- Yosemite Henness Ridge
- Yosemite Escape
- Chateau Yosemite
- Black Oak Ranch

### QuickSearch

Search

New TR



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# Transient Occupancy Tax System

Mariposa County

Transient Rentals Parties Reports Hi, Karen

## Locked Tax Return Details

*(Cannot be altered due to credits being already set and/or applied)* Your new data has been added.

### Tax Return Information

Reporting Period:

Completed?

Gross Receipts:

Exempt Receipts:

Total Taxable:

### Charges

Date	Charge Type	Description	Amount	Adjustments	Payments	Balance	Del
08-01-2013	TOT Tax	10% of Taxable Receipts	\$ 149,557.32	\$ 0.00	\$ 149,557.32	\$ 0.00	
08-01-2013	TBD Tax	1% of Taxable Receipts	\$ 14,955.73	\$ 0.00	\$ 14,955.73	\$ 0.00	
<b>Totals</b>			<b>\$ 164,513.05</b>	<b>\$ 0.00</b>	<b>\$ 164,513.05</b>	<b>\$ 0.00</b>	

**TR History**

- Yosemite Concession
- Pinebrook Cabin
- Yosemite Concession
- Yosemite Places in Paradise
- Yosemite Peregrine Lodging
- Yosemite Peregrine Lodging
- Yosemite Park Place
- Yosemite Henness Ridge

**QuickSearch**



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# Transient Occupancy Tax System

Mariposa County

Transient Rentals Parties Reports Hi, Karen

## Transient Rental

Save Delete

### Transient Rental Information

Business Name

Application Submitted 11-19-1993

Certificate Status Active

Certificate Issued 03-25-2001

Certificate Number 2001015

Certificate Amended?

Amended Notes Cert # 162 originally issued for all units in the park

Rental Type Hotel

# Of Beds 245

# Of Occupants 0

### Site Information

APN 006-180-

Supervisor District District 1

Geographic Area Yosemite National Park

Address Street # Highway 140

Apt/Unit

Yosemite National P CA 95389-

Phone Number (209) 372-1001

### Notes

**TR History**

- Yosemite Concession
- Yosemite Concession
- Yosemite Places in Paradise
- Yosemite Peregrine Lodging
- Yosemite Peregrine Lodging
- Yosemite Park Place
- Yosemite Henness Ridge
- Yosemite Escape

QuickSearch

Search

New TR



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## Transient Occupancy Tax System

Mariposa County

Transient Rentals Parties Reports Hi, Karen

Payments (3)

- New
- 08-23-2013 - \$748,603.55
- 07-30-2013 - \$0.01
- 07-30-2013 - \$855,355.18

PS History

- \*DHC Parks & Resorts at
- \*Delaware North Parks
- Laura Lee Noriega
- \*The Redwoods in Yosemite
- Sean Sivaman
- Kay Pittz
- Kathleen Pfaffer
- Kathleen Pfaffer

**QuickSearch**

Search

New Party

### Party

**Party Information**

Entity Type

Company

**Party Address**

Street

Apt/Unit

C/S/Z

**Contact 1 Details**

Contact 1

E-mail

Phone

**Contact 2 Details**

Contact 2

E-mail

Phone

**Notes**



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## Transient Occupancy Tax System

Mariposa County

Transient Rentals   Parties   Reports Hi, Karen

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Payments (3)

- New
- 08-23-2013 - \$748,603.55
- 07-30-2013 - \$0.01
- 07-30-2013 - \$855,355.18

### Payment

**Payment Details**

Number: 1499

Effective: 08-23-2013

Time: 12:32PM

Batch Date: 08-27-2013

Amount: \$ 748,603.55

Remaining: \$ 0.00

Show Zero Balance Items

**Payment Method**

Method: Electronic Trans

Collected By: Courtney Prognor

Transient Rental	Tax Return	Charge Type	Desc	Original	Balance	Applied
Concession Services	JUL 2013	TOT Tax	10% of Taxable Receipts	\$ 50,345.43	\$ 50,345.43	\$ 50,345.43
Concession Services	JUL 2013	TOT Tax	10% of Taxable Receipts	\$ 192,132.87	\$ 192,132.87	\$ 192,132.87
Concession Services	JUL 2013	TOT Tax	10% of Taxable Receipts	\$ 217,158.01	\$ 217,158.01	\$ 217,158.01
Concession Services	JUL 2013	TOT Tax	10% of Taxable Receipts	\$ 149,557.32	\$ 149,557.32	\$ 149,557.32
Concession Services	JUL 2013	TOT Tax	10% of Taxable Receipts	\$ 71,355.05	\$ 71,355.05	\$ 71,355.05
Concession Services	JUL 2013	TBID Tax	1% of Taxable Receipts	\$ 5,034.54	\$ 5,034.54	\$ 5,034.54
Concession Services	JUL 2013	TBID Tax	1% of Taxable Receipts	\$ 19,213.29	\$ 19,213.29	\$ 19,213.29
Concession Services	JUL 2013	TBID Tax	1% of Taxable Receipts	\$ 21,715.80	\$ 21,715.80	\$ 21,715.80
Concession Services	JUL 2013	TBID Tax	1% of Taxable Receipts	\$ 14,955.73	\$ 14,955.73	\$ 14,955.73
Concession Services	JUL 2013	TBID Tax	1% of Taxable Receipts	\$ 7,135.51	\$ 7,135.51	\$ 7,135.51
<b>Totals</b>				<b>\$ 748,603.55</b>	<b>\$ 748,603.55</b>	<b>\$ 748,603.55</b>
					<b>Account Balance</b>	<b>\$ 0.00</b>

**Notes**

**PS History**

- \*DNC Parks & Resorts at
- \*Delaware North Parks
- Laura Lee Noriega
- \*The Redwoods in Yosemite
- Sean Silverman
- Kay Pitts
- Kathleen Pfaffter
- Kathleen Pfaffter

**QuickSearch**





# MONTEREY COUNTY

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**Mary A. Zeeb**  
Treasurer – Tax Collector  
Monterey County



# MONTEREY COUNTY

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- Ordinance enacted in 1965
- Current Rate: 10.5% plus \$1 or \$2 MCTID
- Large source of non-program revenue for county
  - \$18 million            FY 2012-13
  - \$16.7 million        FY 2011-12
  - \$14.2 million        FY 2010-11
- Currently over 450 active operators





# MONTEREY COUNTY

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## TOT Development Set-Aside Funding

### \$1.6 Million FY 2013-14

- Convention & Visitors Bureau
- Arts Council
- Film Commission
- Monterey County Business Council

### New Set-Aside for Roads

- 20% Total TOT 2013-14 *increasing each year*
- 25% Total TOT 2017-18



# MONTEREY COUNTY

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## Coastal Zone

Short Term Rentals are not permitted in the Coastal Zone of Monterey County.

Tax Collection is enforced for all short term rentals, regardless of permit status.

### Debate Continues:

- Ban all short term rentals countywide
- Enact regulations similar to Santa Cruz & SLO counties



# MONTEREY COUNTY

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## Locate TOT Operators

- Self Reporting, neighbors, word of mouth
- Advertising
- Convention & Visitors Bureau
- Tourist and Rental Sites
- Internet
  - AirBnB
  - VRBO
  - Homeaway



# MONTEREY COUNTY

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## **New Operators**

- Register within 30 days
- Waive audit requirement for the prior 3-year period
- Welcome Package
  - Letter with Reporting Instructions
  - Registration Certificate
  - TOT Exemption Information
  - Local Ordinance

## **Non-Compliant New Operators**

- Second Notice
- Audit



# MONTEREY COUNTY

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## Enforcement

- Letters
- 30-day reporting cycle
- Estimate TOT returns with 25% penalty
- Liens and Levies
- District Attorney – Criminal
- County Counsel – Civil



# MONTEREY COUNTY

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## Automation

- Registration application, quarterly forms and exemption information available for download on our website.
- Ability to “fill in” the form.
- Access Database.
- Property Tax Vendor is working on TOT module.
- On-line reporting and payments by end of fiscal year.





# Monterey County Hotel Tax Database

Navigation Pane

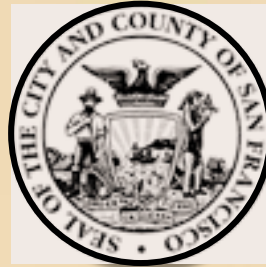
Data Entry and Update Screens	Forms	Reports	City of Salinas	Misc	End of Quarter	Import Processing	
Enter TOT Tax Return	Active Owners List	Qrtly TOT Return w/ MCTID	Deposit Certificate	City of Salinas GAX	All Owners List	TOT Qrtly Revenue Report	Import Revenue Detail Report (Tax)
Update TOT Tax Return	Welcome Letter	Individual TOT Form	Deposit Certificate Detail	City of Salinas Deposit Certificate Detail	Print Mailing Labels	Qrtly-Non Response Report	Import Trial Balance (TID)
Delete TOT Tax Return	TOT Registration Permit	Qrtly TOT Return w/out MCTID	4th Quarter Deposit Certificate	City of Salinas Deposit Certificate	Dashboard	Delinquent Notices w/out MCTID	TID Advantage Record Match
Update Ticket Number	Search Function		Payments Made by Certificate	City of Salinas 4th Quarter Deposit Cert	New Registration Form ALL OPERATORS	Delinquent Notices w/ MCTID	TID TOT Recs with no Advantage Records
Add/Update Hotel Operators NEW FORM						MCTID Qrtly Revenue Detail	TID Advantage Records with no DB Records
						MCTID Qrtly Revenue Report	TAX Advantage Record Match





# CITY AND COUNTY OF SAN FRANCISCO

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**Loretta Lieberman**

Business Tax Account Services Manager  
City and County of San Francisco  
Office of Treasurer and Tax Collector



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# CITY AND COUNTY OF SAN FRANCISCO

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- Began collecting TOT in 1978, per Article 7 of the Business and Tax Regulations Code.
- Hotel operators file and pay quarterly and also make monthly remittances based on actual collections, which act as a credit towards the total liability for the quarterly period.
- \$274 million in FY 2012/13 collections.  
20% increase from FY 2011/12.
- Additional \$37K in TOT collected by Audit group in FY 2012/13
- Collections go to the General Fund



# CITY AND COUNTY OF SAN FRANCISCO

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## **Tourism Improvement District (TID) went into effect 1/1/09.**

- Operators collect additional assessment of 1% or 1.5% depending on geographical location in San Francisco.
- They file and pay quarterly.
- FY 2012/13 collections were \$27 million. An 11% increase over FY 2011/12.
- Collections are paid to San Francisco TID Board, per TID Management District Plan.

## **Moscone Expansion District (MED) went into effect 7/1/13.**

- Operators collect an assessment of .5% or .3125% depending on geographical location in San Francisco.
- Operators file and pay quarterly and are starting this month.
- Collections are paid to San Francisco TID Board per MED Management District Plan.



# CITY AND COUNTY OF SAN FRANCISCO

## TOT Tax and TID/MED Fee Rates

### July 1, 2013 – December 31, 2013

	TOT	TID	MED	TOTAL
Zone 1	14 %	1.5 %	.5 %	16 %
Zone 2	14 %	1 %	.3125 %	15.3125 %

### Beginning January 1, 2014

	TOT	TID	MED	TOTAL
Zone 1	14 %	1 %	1.25 %	16.25 %
Zone 2	14 %	.75 %	.3125 %	15.0625 %



# CITY AND COUNTY OF SAN FRANCISCO

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In 2010, met with hotel operators and provided them with a demo and received positive feedback.

Began online filing in October 2010, and began online payment in November 2010.

## Results

- Online form required us to examine each data point we were asking for. What do we really need/want from operators?
- Application does the math (correctly).
- Operators must complete all required fields on form, thus eliminating incomplete filings when filing online.
- Wherever possible, fields on the form prepopulate, such as remittance payments or data points that are required for more than one tax/fee filing.
- Fewer staff members needed to process and analyze filings and payments.



# CITY AND COUNTY OF SAN FRANCISCO

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## Reality

- Most hotel operators are computer savvy and easily adapted to filing online.
- Had a telephone hotline so operators could contact us directly with online filing questions. It is now retired.
- Virtually no data entry by staff members.
- Still offer paper form for hotels that are not filing online.
- When time allows, we follow up with each hotel that files paper using a telephone script to ascertain why they are using paper and to facilitate adoption.

## 2Q13

- Electronic Filing: 98% of those that filed.
- Electronic Payment: over 50% of those received.





# CITY AND COUNTY OF SAN FRANCISCO

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## Compliance

- List of active operators loaded into database each quarter. Thus, unregistered hotels need to contact us if they want to file online or on paper (form not on website).
- Certificate of Authority (COA) to collect TOT is required for all hotels collecting TOT.
- Non filers receive a determination bill.
- All accounts not paid in full go to our Bureau of Delinquent Revenue (BDR).
- Citations issued by investigators from BDR.
- Also may use Summary Judgment to facilitate compliance.
- Audit group performs routine audits of TOT and TID.







# Questions & Comments

