

THE CITY OF OKLAHOMA CITY HOTEL TAX



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Municipal Code that governs the Oklahoma City Hotel Tax

Introduction

In 1972, the voters of Oklahoma City approved a “room tax” of two percent in order to provide a source of dedicated revenue for the purpose of promoting conventions and tourism in Oklahoma City. In 2024, Oklahoma City citizens voted and approved a three and three quarters percent increase for a total of nine and one quarter percent (9.25%), which is the current hotel tax rate. These taxes, paid by guests who stay at your establishment, fund a full-time Convention and Visitors Bureau. By law, this tax revenue cannot be spent for anything which is not related to the convention and tourism (visitor) development.

Your cooperation in collecting this tax is critical. As you know, the convention and tourism industry is vital to our entire local economy as well as your industry. This is a very important source of funds, since few other sources are available for investing into convention and tourism development beyond the five and one half percent dedicated tax that your guests pay.

We want to make the process of collecting and remitting hotel tax as simple and convenient as possible. The City of Oklahoma City appreciates the hotel administrative work that goes into the collection and remittance of these taxes and acknowledges hotel efforts with a discount that is provided for complete and timely reports. We also believe it is only fair to those in the hotel industry, as well as the citizens of Oklahoma City, that we ensure tax money is collected in compliance with City ordinance.

If you have any questions or suggestions about the process please feel free to call the City Treasurer’s office at the number provided below. We are here to help you and want to work with you toward the betterment of our community and your business.

The Hotel Informational Packet was designed to:

- Provide an overview of the hotel tax & the Hotel Tax Municipal Code
- Provide information on obtaining necessary licenses to operate a hotel in the City of Oklahoma City
- Provide the necessary forms required to report hotel tax collections and exemptions (All Attachments Included)
- Provide answers to frequently asked questions

The City of Oklahoma City, City Treasurer’s Office is available to provide assistance should you have questions or problems. Our office hours are 8 AM to 5 PM Monday through Friday. You may contact us at (405) 297-2229.

Licensing and Permitting

City-County Health Department

All new hotels or hotels having a change in ownership within the City of Oklahoma City must contact the City-County Health Department, 921 NE 23rd St, Oklahoma City, OK, 73105, (405) 427-8651 to obtain a health inspection at least forty-eight hours prior to desired opening time.

Upon application approval, the City-County Health Inspector will provide the hotel two copies of the signed Oklahoma County Health Department Inspection Form. One copy is to be retained by the hotel and the second copy is to be provided to The City of Oklahoma City. The City-County Health Inspector will also provide 2 copies of a City of OKC Application. One copy the Health Inspector will mail to the City of OKC License Division and the other copy you will provide to the City of OKC License Division in order to obtain a Hotel Business License from The City of Oklahoma City, License Division, 420 W Main St, 8th Floor, Oklahoma City, OK, 73102, (405) 297-2459.

The City of Oklahoma City License Division

Hotel Business License

All new hotels or hotels having a change in ownership within the City of Oklahoma City must have a Hotel Business License. The initial Hotel Business License must be completed in person at The City of Oklahoma City, License Division, 420 W Main St, 8th Floor, Oklahoma City, OK, 73102. Other business licenses, which may be required, may also be obtained during this process. Please contact the License Division at 297-2606 for more information regarding additional licenses/permits.

Prior to the finalization of the purchase of the Hotel Business License, the License Division customer service representative will direct the applicant to complete a zoning verification and a Hotel/Motel Registration form from the City's Development Center, 420 W Main St, 8th Floor, Oklahoma City, OK 73102. Pending approval of the zoning verification and Hotel/Motel Registration form, the customer service representative will issue the license(s). All City business licenses must be posted at the hotel within view of the public.

The business licenses are renewed annually by The City of Oklahoma City, License Division. The hotel must be in good standing to obtain the licenses during the renewal process; "Good Standing" includes but is not limited to being in compliance with all State Statutes and Oklahoma City Municipal Codes. The hotel also must be current in all payments of State and City sales taxes and hotel taxes.

Certificate of Authority

Prior to collecting any revenue and administering any taxation to occupants, the hotel operator should complete a Certificate of Registration and an Affidavit and Designation of Operator with the City Treasurer's office, 420 W Main St, 1st Floor, Oklahoma City, OK 73102. Within five days after receipt of the required Certificate of Registration and Affidavit, the Director shall issue, without charge to the operator, a Certificate of Authority empowering such operator to collect the tax from occupants.

Frequently Asked Questions

Is there a difference between sales tax and hotel tax?

Yes. The Oklahoma Tax Commission establishes rules for the collection of sales taxes based on State statutes. Sales taxes are collected by the Oklahoma Tax Commission for the State, cities and counties.

Hotel tax is collected directly by the City of Oklahoma City based on a City ordinance. The citizens of Oklahoma City voted on the current tax rate (9.25%) and allowable tax exemptions. Any change to the approved rate and exemptions would require a vote by Oklahoma City citizens.

What hotel tax exemptions are allowed by the City's ordinance?

Under Chapter 52 of the Oklahoma City Municipal Ordinances, these exemptions are allowed:

52-64.1. Exemptions;

(a) Exemptions. The following shall be exempt for the hotel tax levied in this article:

1. A *permanent resident*, as defined in Section 52-62.1; provided, any individual who qualifies as a *permanent resident* shall be entitled to the exemption retroactive to the first day of residency;
2. The United States government or any agency or division thereof when paid **directly** by the United States government.
3. The State of Oklahoma or any political subdivision thereof when paid **directly** by the State of Oklahoma or any political subdivision.
4. Any public school or state-accredited private school when paid **directly** by the school, provided that its primary purpose is not carrying on a business for profit; and
5. Any church when paid **directly** by the church, provided that its primary purpose is not carrying on a business for profit.

These are the only exemptions which the City Treasurer's Office will accept.

Are companies allowed to contract with a hotel for a number of rooms per night for 30 consecutive nights and then be exempt from paying taxes when various employees stay in the contracted rooms?

No, the Ordinance specifically states "individual". Under the Definitions (§ 52-62.1) an "individual means a human being." This means the same individual must stay in the room for 30 consecutive nights for the stay to be exempt. Also, note the entire stay becomes tax exempt retroactive to the first day of residency.

Who is required to collect the hotel tax and remit to the Oklahoma City Treasurer's Office?

The Hotel/Motel operator is responsible for collecting the hotel tax from the occupant (§ 52-66).

When are hotel tax reports due to the City Treasurer's Office?

Every operator shall file with the Director a report of occupancy and of rents and of the taxes payable thereon for the monthly period ending the last day of every month of each year. Said report is to be filed monthly with the City Treasurer and is due no later than the fifteenth (15) day of the month directly following the reporting period (§ 52-69).

The Hotel Tax Report is due to the City Treasurer **no later than the 15th of the month directly following the reporting period**. If the report is being mailed, the mailing address is:

Office of the City Treasurer
420 W. Main, Suite 120
Oklahoma City, OK 73102

Are reports and the information provided by hotel kept confidential?

Yes. The confidential and privileged nature of the records and files concerning the administration of the tax is legislatively recognized and declared to be protected with confidentiality.

Do hotels get any remuneration for collecting hotel taxes and paying in a timely manner?

Yes, if the Hotel Tax Report, Exemption Form(s), and check (a complete packet) are received by the 15th as described above, the hotel may retain three percent (3%) of the taxes collected (§ 52-79).

What happens if the report is late or all paperwork is not included (incomplete packet)?

If a complete packet is not received by the 15th day of the month following the report period it will be considered delinquent. Any hotel discount will be disallowed. Delinquent reports are charged two percent (2%) interest per month on the 16th of each month (there is no maximum limit on interest) until the total amount is paid. If the amount due is not paid by the last calendar day of the month it will become liable for a ten percent (10%) penalty on the last day of each month until the penalty reaches a maximum of 50% (§ 52-72).

Are non-profit groups and charities exempt from the City's hotel tax?

No, only the exemptions listed in the City Ordinance are exempt. The Oklahoma Tax Commission provides numerous exemptions to sales tax. The hotel tax is not a sales tax.

How long do hotels have to keep information supporting hotel tax reports?

Every operator shall keep records of every occupancy and of all rent paid, charged, or due thereon and of the tax payable thereon in such form as the Director may by regulation require, for a period of three (3) years (§ 52-68).

Why are hotel taxes collected?

(§ 52-81.1)

All hotel tax revenues collected pursuant to the provisions of this article shall be set aside and used exclusively for the purpose of encouraging, promoting and/or foster the convention and/or tourism (visitor) development of the City by the following expenditures:

- (1) Four-elevenths of the revenues shall be expended for any projects, items, costs and/or expenses that encourage, promote and/or foster the convention and/or tourism (visitor) development of the City; and
- (2) Six-elevenths of the revenues shall be expended for improvements to the Oklahoma City Fairgrounds, not including operational costs; and
- (3) One-eleventh of the revenues shall be expended for the sponsorship and/or promotion of events recommended by the Oklahoma City Convention and Visitors Commission and anticipated to enhance the local economy through increased convention and/or tourism (visitor) activity in the City.